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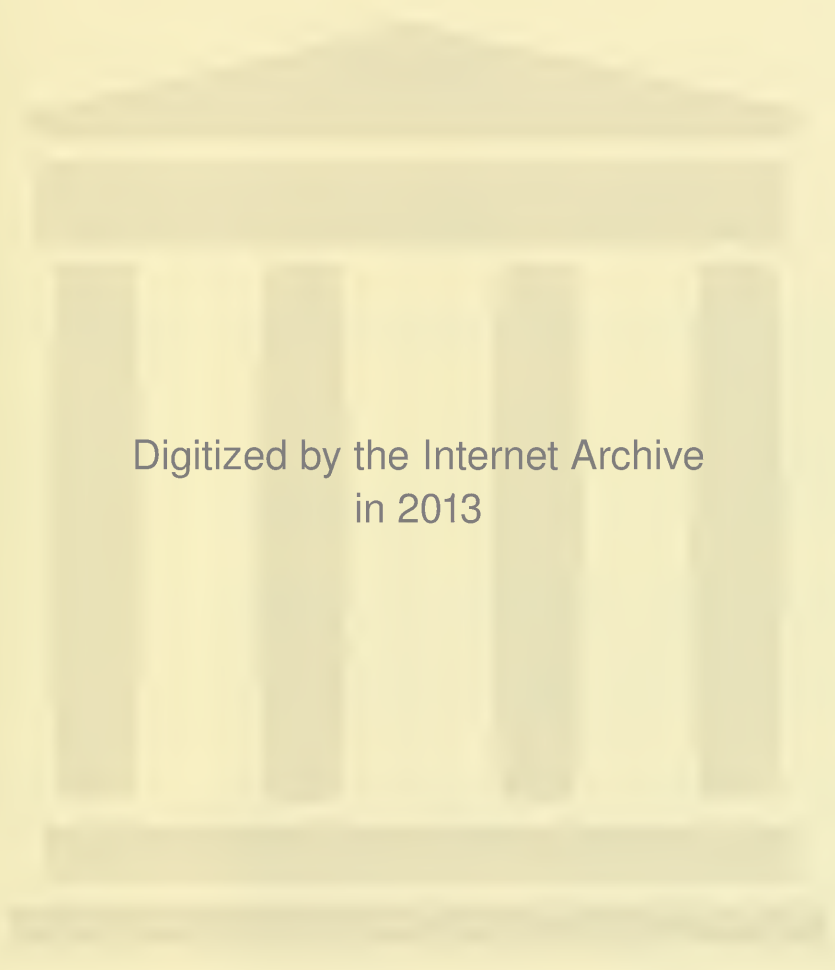


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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
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February 8, 2001

TO: Audit, Labor & Government Efficiency Committee
FROM: Budget Analyst
SUBJECT: February 13, 2001 Audit, Labor & Government Efficiency Committee Meeting

DOCUMENTS DEPT

Item 1 - File 01-0107

FEB 14 2001

Department: Department of Human Resources (DHR)
Fire Department

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Item: Ordinance adopting and implementing the terms of a Memorandum of Understanding between the Service Employees International Union, AFL-CIO, Local 790, and the City and County of San Francisco for the H-1 Fire Rescue Paramedics, to be effective for the two-year period retroactive from July 1, 1999 through June 30, 2001.

Description: The current Memorandum of Understanding (MOU) between the City and the Service Employees International Union (SEIU), AFL-CIO, Local 790 covers one classification, H-1 Fire Rescue Paramedic employed by the Fire Department. According to Ms. Pamela Levin of the Controller's Office, the H-1 classification comprised 147 employees on July 1, 1999, the retroactive commencement date of the proposed MOU. The original MOU was previously approved by the Board of Supervisors in for the two-year period from July 1, 1997 through June 30, 1999. According to Ms. Alice Villagomez of DHR, that MOU's provisions continued from the June

30, 1999 termination date to the present, a period of over 19 months, on a year-to-year basis, as permitted by the MOU, while the parties worked to resolve outstanding disagreements. Ms. Villagomez states that the SEIU, Local 790 negotiations were a lengthy process due to various disagreements pertaining to the terms contained in the proposed subject new MOU effective on July 1, 1999. Ultimately, the City and SEIU, Local 790 reached an agreement without having to take any issues to arbitration, according to Ms. Villagomez.

The H-1 Fire Rescue Paramedic classification is an interim classification established as part of the 1997 merger between the Fire Department and the Paramedic Division of the Department of Public Health¹. Most of the H-1 Fire Rescue Paramedics appointed in 1997 have either since been cross-trained to become H-3 Fire Fighter Paramedics, or are in the process of receiving such cross-training². According to Ms. Villagomez, there were 147 H-1 Fire Rescue Paramedics on July 1, 1999. Since that time, (a) 109 have been cross-trained to become H-3 Fire Fighter Paramedics, (b) eight have been reinstated as 2532 Paramedics, and (c) five have resigned or retired from the Fire Department. Of the remaining 25 H-1 Fire Rescue Paramedics employed by the Fire Department, 16 are currently active and nine are on disability leave. Of these 25 H-1 Fire Rescue Paramedics, four are expected to receive cross-training as H-3 Fire Fighter Paramedics depending upon release dates from disability and depending on when such employees receive then necessary training to become H-3 Fire Rescue Paramedics. Due to the retroactive nature of this ordinance, the 122 former H-1 Fire Fighter Paramedics who, since July 1, 1999, either (a) received cross-training, (b) were reinstated as 2532 Paramedics, (c) resigned, or

¹ According to Ms. Villagomez, although the H-1 classification is an interim classification, the City has agreed to continue that classification until no further H-1 Fire Rescue Paramedic employees occupy that classification.

² An H-3 Fire Fighter Paramedic is fully cross-trained as both a Paramedic and a Fire Fighter. Under the proposed MOU, the base wage rate differential for an H-3 Fire Fighter Paramedic over an H-1 Fire Rescue Paramedic would not exceed 5 percent. The present annual salary of an H-3 Fire Rescue Paramedic is \$72,306 (a flat rate), which is \$3,146 or approximately 4.5 percent more than the annual salary at the top step of \$69,160 for H-1 Fire Rescue Paramedics proposed by the subject MOU.

(d) retired, are covered by these provisions in terms of back pay for work they performed while in the H-1 Fire Rescue Paramedic classification between the period of July 1, 1999 and the present.

The proposed two-year MOU applies to all Fire Department employees who occupied Classification H-1 Fire Rescue Paramedic between July 1, 1999 and June 30, 2001. As previously noted, most of the 147 H-1 Fire Rescue Paramedics employed by the Fire Department on July 1, 1999 now hold other classifications. Therefore, given the lengthy process in finalizing this proposed MOU, most of the wage and premium increases represent back pay to which former H-1 Fire Rescue Paramedics are entitled, irrespective of their current classifications.

The major changes between the prior MOU and the proposed MOU which have fiscal impacts are as follows:

Wage Increases: There would be one 5.5 percent increase in base salaries retroactive to July 1, 1999, and one additional 5.5 percent increase in base salaries retroactive to July 1, 2000, for total salary increases of 11 percent over the two-year term of the proposed MOU.

Paramedic/Fire Suppression Premium: There would be an increase of 3 percent in the Paramedic/Fire Suppression Premium for H-1 Fire Rescue Paramedics from 5 percent to 8 percent, retroactive to July 1, 1999.

Paramedic Cross-Training Program Premium: H-1 Fire Rescue Paramedics would earn a 5 percent Paramedic Cross-Training Premium while participating in the H-3 Fire Fighter Paramedic cross-training program, payable upon successful completion of the seven-week training program. Under the prior MOU, there was no additional compensation for the paramedic cross-training period.

Health:

- When dependent health care costs exceed \$225 per month, the City would adjust its pick-up level up to 75 percent of the cost of Kaiser Permanente's dependent

health care medical premium coverage for the "employee plus two or more dependents" category.

- With the exception of (a) leave approved under the Federal Family Medical Leave Act, the California Family Rights Act, or Section 16.701 of the Administrative Code, (b) workers' compensation leave, and (c) approved sick leave, the City would cease all contributions to an employee's health and dental benefits if that employee remains on unpaid status for more than 12 consecutive weeks.
- The City would offer voluntary prostate cancer screening to all male H-1 Fire Rescue Paramedics over 40 years of age and voluntary breast cancer screening to all female H-1 Fire Rescue Paramedics over 40 years of age, once every three years.

Classification changes: Any H-1 Fire Rescue Paramedic who wishes to be reinstated to Classification 2532 Paramedic and any 2532 Paramedic who wishes to be appointed to Classification H-1 Fire Rescue Paramedic would be required to submit his or her irrevocable and final request within 30 days after the Board of Supervisors approval of this proposed MOU.

Family care and maternity/paternity leave: A female H-1 Fire Rescue Paramedic and her physician would have the right to determine the starting and end dates for maternity leave. On returning to work, she would be reinstated in her original assignment if possible. She would also be able to elect to work for up to six weeks in a modified duty assignment as determined to be appropriate by the Fire Department Physician. The City would grant up to one year of unpaid family leave to male and female H-1 Fire Rescue Paramedics who require such leave, while continuing to provide health and dental care benefits to such employees and their dependents during unpaid family leave.

Temporary modified duty assignments: Modified duty assignments, as determined by the Fire Department, would not exceed 30 days, with extensions not to exceed one year. H-1 Fire Rescue Paramedics assigned to modified duty would receive their regular rate of pay. If an H-1 Fire Rescue Paramedic sustains a temporary

injury after having served ten consecutive days during an assignment while working out of class, and is returned to a modified duty assignment, then he or she shall receive compensation at the higher rank for up to 30 days.

Comments:

1. The proposed MOU would increase wages and the Paramedic/Fire Suppression Premium payments for 147 former and current H-1 Fire Rescue Paramedics. The proposed wage increases would result in salary cost increases of \$845,637, plus wage-related fringe benefit cost increases of \$195,927, over the two-year MOU period retroactive to July 1, 1999, as shown in the Attachment, provided by the Controller's Office. The Paramedic/Fire Suppression Premium would result in cost increases in the amount of \$326,728 over the two-year MOU period, as shown in the Controllers' Attachment. According to Ms. Levin, no other classification receives this premium. According to Ms. Villagomez, these wage increases would provide Class H-1 Fire Rescue Paramedic employees with wage increases comparable to those previously provided to other uniform Police Department and Fire Department personnel during the period July 1, 1999 through June 30, 2001. Ms. Villagomez states that the overall package is comparable to the provisions of the two MOUs with Local 798 for 17 Fire Department uniform classifications for the two-year term of July 1, 1999 through June 30, 2001, approved by the Board of Supervisors in July of 1999 (Files 99-1032 and 99-1033). All current and former H-1 Fire Rescue Paramedics who have worked in the Fire Department since July 1, 1999 would receive the proposed wage and premium increases, according to Ms. Villagomez.

Ms. Villagomez advises that all retroactive salary payments and premium payments, dependent health coverage increases, and wage-related fringe increases would be paid to each of the 147 former and current H-1 employees in one lump sum payment. Ms. Levin states that there was an average of 140 FTE H-1 Fire Rescue Paramedics employed by the Fire Department during FY 1999-2000, and an average of 67 FTEs employed during FY 2000-01. Therefore, according to Ms. Levin, the average lump sum payment to each of these 140 FTE H-1 Fire Rescue Paramedics in FY 1999-2000 would be

approximately \$7,637, inclusive of wage and premium increases, dependent health coverage increases, and wage-related fringe increases, while the average lump sum payment to each of the 67 FTE H-1 Fire Rescue Paramedics in FY 2000-01 would be approximately \$5,666. The Budget Analyst notes that the actual lump sum paid to each H-1 Fire Rescue Paramedic would depend on his or her employment dates in Classification H-1 Fire Rescue Paramedic.

2. The proposed MOU would establish a new Paramedic Cross-Training Program Premium, at a premium rate which Ms. Villagomez advises was negotiated between the parties. This new 5 percent premium would cover the seven-week period of the H-3 Fire Fighter Paramedic training program, with payment only on successful completion of that training program. The new premium would be paid to all 109 former H-1 Fire Rescue Paramedics who had successfully completed their cross-training to become H-3 Fire Fighter Paramedics, according to Ms. Villagomez. The total cost of the new premium is estimated to be \$52,177 over the two-year period of the proposed MOU, as shown in the Controllers' Attachment.

3. As previously noted, the proposed MOU would make three changes to its health-related provisions which would have fiscal implications, which reflect similar provisions for other uniform Fire Department personnel, according to Ms. Villagomez. The three changes are as follows:

- (a) Under the current MOU, the City contributes up to \$225 per month towards the health insurance coverage of H-1 Fire Rescue Paramedics' dependents. Under the proposed MOU, in the event that the cost of dependent care exceeds \$225 per month, the City would adjust its pick-up level up to 75 percent of the cost of Kaiser Permanente's dependent health care medical premium coverage for the "employee plus two or more dependents" category. As shown in the Controller's Attachment, the estimated cost of doing this would be \$28,282 over the two-year period of the proposed MOU.

- (b) The subject MOU proposes that the City would cease health and dental insurance payments for H-1 Fire Rescue Paramedics who remain on unpaid status in excess of 12 consecutive weeks, with the exception of (a) leave approved under the Federal Family Medical Leave Act, the California Family Rights Act, or Section 16.701 of the Administrative Code, (b) workers' compensation leave, and (c) approved sick leave. With regard to this proposed new provision, Ms. Villagomez advises that she is unaware of any H-1 Fire Rescue Paramedic having been in that situation. The Controller's Attachment does not estimate any cost increase related to this proposed provision.
- (c) The proposed addition of voluntary prostate and breast cancer screening, to be paid for by the Fire Department, is a new provision. The costs of such screening cannot be estimated because they would depend on the number of H-1 Fire Rescue Paramedics older than 40 years who elect to take the offered triennial test. The Controller's Attachment does not estimate any cost increase related to this proposed provision.

4. Under the proposed MOU, H-1 Fire Rescue Paramedics could be reinstated in Classification 2532 Paramedic, and 2532 Paramedics could transfer to Classification H-1 Fire Rescue Paramedic, so long as their irrevocable and final request was made within 30 days of the Board of Supervisors approving the proposed MOU³. Under the proposed MOU, the top salary step for Classification H-1 Fire Rescue Paramedic is \$69,160, which is \$2,158 or approximately 3.2 percent more than the top salary step of \$67,002 for Classification 2532 Paramedic⁴. Furthermore, Classification H-1 Fire Rescue

³ Whereas Classification 2532 Paramedics are trained solely to provide paramedic services, H-1 Fire Rescue Paramedics are paramedics who are also trained to assist Fire Fighters with fire suppression activities outside of buildings.

⁴ On July 1, 1999, the base top step annual salary of a Classification 2532 Paramedic was \$63,110, compared to the base top step annual salary of \$65,546 for a Classification H-1 Fire Rescue Paramedic. On July 1, 2000, the base top step annual salary of a Classification 2532 Paramedic was \$65,702 compared to the base top step annual salary of \$69,160 for an H-1 Fire Rescue Paramedic. However, 2532 Paramedics were also eligible for a mid-year wage increase of \$1,300, or approximately 1.98 percent, in FY 2000-01, which increased the 2532 Paramedic's base top step annual salary up to \$67,002 by January 6, 2001.

Paramedics, who work 48 hour weeks, are entitled to Fire Department pension benefits and the Paramedic/Fire Suppression Premium, while Classification 2532 Paramedics who work 40 hour weeks, are not eligible for these additional benefits. Therefore, according to Ms. Villagomez, there would be reduced remuneration costs related to H-1 Fire Rescue Paramedics who chose to be reinstated as 2532 Paramedics, but such reduced costs have not been estimated by either DHR or the Controller's Office. Further, such reduced costs could be offset by the increased wage and premium costs related to any Classification 2532 Paramedics who chose to convert to Classification H-1 Paramedics. However, according to Ms. Villagomez, no Classification 2532 Paramedics have requested appointment to Classification H-1 Fire Rescue Paramedic under this proposed MOU provision.

5. Under the proposed MOU, a new provision would enable female H-1 Fire Rescue Paramedics and their physicians to determine the starting and end dates for maternity leave, rather than the decision being subject to Fire Department approval. On returning to work, she would be reinstated in her original assignment if possible. She would also be able to elect to work for up to six weeks in a modified duty assignment as determined to be appropriate by the Fire Department Physician. Under another new provision of this proposed MOU, the City would grant up to one year of unpaid family leave to male and female H-1 Fire Rescue Paramedics who require such leave, while continuing to provide health and dental care benefits to such employees and their dependents during unpaid family leave. These new family care and maternity/paternity leave provisions would incorporate the Local 798 Fire Fighter Family Care and Maternity/Paternity Leave provisions. According to Ms. Villagomez, because these new family and parental leave provisions cover leave without pay, the fiscal implications of these premiums would depend on how many individual H-1 Fire Rescue Paramedics request such leave without pay and thereby generate a need to backfill their positions. Ms. Villagomez further states that sick leave taken under the Family Medical Leave Act would be drawn from the employee's sick leave account. According to Ms. Villagomez, no H-1 Fire Rescue Paramedics have

utilized these leave provisions since July 1, 1999 and none are expected to do so prior to June 30, 2001.

6. Under the proposed MOU, modified duty assignments, as determined by the Fire Department, would not exceed 30 days, with extensions not to exceed one year. H-1 Fire Rescue Paramedics assigned to modified duty would receive their regular rate of pay. If an H-1 Fire Rescue Paramedic sustains a temporary injury after having served ten consecutive days during an assignment while working out of class, and is returned to a modified duty assignment, then he or she shall receive compensation at the higher rank for up to 30 days. These new temporary modified duty assignment provisions would incorporate the Local 798 Fire Fighters Temporary Modified Duty Assignment provision, with the exception that the Fire Department would consult with that employee's treating physician as the proposed temporary modified duty assignment, with the final authority resting with the Fire Department's physician. Ms. Villagomez states that there is a potential cost saving to the City as the proposed provision is intended to facilitate H-1 Fire Rescue Paramedics on disability to return to modified duty assignments before being released to full duty. Neither DHR nor the Controller's Office have prepared an estimate of the maximum costs or savings of these new provisions.

7. The above described proposed provisions relate to the major financial changes from the prior MOU. It should be noted that, in addition to the above described major changes to the proposed MOU having fiscal impact, there are various other provisions in the proposed MOU, including: (a) adding a management rights provision to the MOU, (b) permitting union-related notices to be transmitted via the Fire Department's teletype system, and (c) permitting assignment of H-1 Fire Rescue Paramedics without a partner to an ambulance with a 2532 Paramedic when such partnering prevents an ambulance being taken out of service and does not conflict with work schedules.

8. In summary, under the proposed MOU, the H-1 Fire Rescue Paramedics employed in the Fire Department

would receive (a) two additional retroactive 5.5 percent salary increases on July 1, 1999 and July 1, 2000, for a total of an 11 percent wage increase, and (b) a Paramedic/Fire Suppression Premium increase of 3 percent, from 5 percent to 8 percent of base salary. Based on salary data provided by Ms. Donna Marchuk of DHR, an H-1 Fire Rescue Paramedic at the current maximum annual base salary of \$62,088 would receive a new maximum annual base salary of \$69,160 in FY 2000-01, or an overall increase of \$7,072, plus an additional 3 percent for their Paramedic/Fire Suppression Premium. In comparison, an H-3 Fire Rescue Paramedic earns a flat rate of \$72,306 annually. Former H-1 Fire Rescue Paramedics who successfully complete cross-training to become H-3 Fire Fighter Paramedics would receive an additional 5 percent Paramedic Cross-Training Program Premium for the seven-week training program period. In addition, H-1 Fire Rescue Paramedics are likely to receive additional compensation as a result of overtime, plus other premium pay provisions, including Preceptor pay⁵, the Hazardous Materials Technician premium, or the Bilingual Program premium, which are part of their existing MOU, all of which would be paid on the new base salary rates. H-1 Fire Rescue Paramedics would also receive higher retirement benefits because of their increased base salary. However, Mr. Kieran Murphy of the Retirement System advises that the proposed MOU would have a negligible impact on the Retirement System because H-1 Fire Rescue Paramedics are a classification in transition and few current H-1 Fire Rescue Paramedics are expected to retire while still in that classification.

9. As shown in the Controllers' Attachment, the Controller's Office estimates that the cumulative cost of implementing the proposed MOU would be \$1,448,751, over the two year period of this proposed MOU, comprising \$1,069,125 in FY 1999-2000 and \$379,626 in FY 2000-01. The additional costs of the proposed MOU would be funded from the FY 2000-01 General Fund Salary and Fringe Reserve previously approved by the Board of Supervisors in the FY 2000-01 budget.

⁵ Preceptor pay of 8 percent of base salary is paid to a specifically trained H-1 Fire Rescue Paramedic who is assigned as the designated Field Training Officer on an ambulance shift to work with Fire Department staff undergoing their paramedic training.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
ControllerMatthew H. Hymel
Chief Assistant Controller

January 29, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Memorandum of Understanding between the Service Employees International Union Local 790
Fire Rescue Paramedics and the City and County of San Francisco, File No. 01-017

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of a Memorandum of Understanding (MOU) between the Service Employees International Union Local 790 Fire Rescue Paramedics and the City and County of San Francisco. The MOU covers the period July 1, 1999 through June 30, 2001. Since July 1999, the number of Fire Rescue Paramedics has decreased from approximately 145 to 30 due to promotions into a higher rank of Paramedics not covered by this agreement. The salary base was approximately \$10.6 million in FY 1999-2000 and is projected to be \$4.9 million in FY 2000-2001.

Based on our analysis, the amendment will result in estimated incremental costs of approximately \$1,069,125 for FY 2000 and \$379,626 for FY 2001. The source of funding will be the General Fund Salary and Fringe Reserve. The amendment will result in cost increases above the base salary amounts of approximately 10% and 8% for FY 2000 and FY 2001 respectively. Please see Attachment A for specific cost estimates.

If you have any additional questions or concerns please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,



Edward M. Harrington
Controller

Cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A**SEIU Local 790 H1 Fire Rescue Paramedics****Estimated Costs FY 1999-2000 to 2001****Controller's Office**

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 1999-2000</u>	<u>FY 2000-2001</u>
Wage Increase		
5.5% on July 1, 1999	570,415	
5.5% on July 1, 2000		275,222
Subtotal Wage Increase	<u>570,415</u>	<u>275,222</u>
Paramedic/Fire Suppression Premium		
Increase from 5% to 8% on July 1, 1999	318,471	8,257
Paramedic Cross Training Program Premium		
5% premium while participating in program	15,431	36,746
Dependent Health Coverage		
Increase from 52% to 75% of Kaiser	20,117	8,165
Wage-Related Fringe Increases	144,691	51,236
Total Estimated Incremental Costs	<u>1,069,125</u>	<u>379,626</u>
Incremental Cost % of Salary Base	10%	8%

Item 2 – File 00-2190

Item: Hearing to consider claims of employees, various departments, for reimbursement of personal property damaged and/or stolen in the line of duty.

Description: Section 10.25-8 of the City's Administrative Code authorizes the Controller, subject to approval of the Board of Supervisors, to provide reimbursement to non-uniformed City employees to enable the employee to recover all or part of their costs of replacing or repairing equipment or property that has been damaged or stolen in the line of duty without the fault of the City employee if such loss exceeds \$1,000, when (1) a verified claim is filed, (2) the department head certifies to the Controller that the damage or theft occurred in the line of duty and the amount certified for payment is fair and reasonable, (3) the damage or theft occurred without fault of the employee and was occasioned by unusual circumstances, (4) the Controller concurs with the department head's certification, and (5) funds are available for such purpose.

In response to one claim filed by one employee of the Recreation and Park Department (RPD), the General Manager of RPD has certified that the damage to the employee's vehicle occurred in the line of duty, was not the fault of the employee and recommended a reimbursement payment of \$2,476.38 as being fair and reasonable.

According to Mr. Joseph Matranga of the Controller's Office, the Controller's Office concurs with the subject claim submitted by the Recreation and Park Department and a resolution recommending full reimbursement for this claim has been prepared by the Controller's Office. Mr. Matranga advises that funds are available for the proposed reimbursement from the FY 2000-01 operating budget of the Recreation and Park Department.

Comment: In accordance with Section 10.25-8 of the City's Administrative Code, the Controller is permitted to pay employee claims that are less than \$1,000, without requiring the Board of Supervisors approval, if the claim is certified by the Department head as being fair and reasonable and occurring in the line of duty and if sufficient funds are available.

Recommendation: Prepare in and report out a resolution authorizing payment of the subject claim, as recommended by the Controller.

Item 3 - File 01-0201

Department: City Attorney's Office

Item: Resolution approving a contingency fee agreement in People of the State of California by and through San Francisco City Attorney, Louise H. Renne v. Dynegy Power Marketing, Inc., et al.

Description: On January 18, 2001, the City Attorney's Office instituted litigation on behalf of the People of the State of California¹ against major generators of electricity and related entities, pursuant to the City Attorney's authority to protect the public under the California Business and Professions Code, in People of the State of California by and through San Francisco City Attorney, Louise H. Renne v. Dynegy Power Marketing, Inc., et al. This lawsuit is seeking injunctive and other relief, including restitution and payment of illegal profits and civil penalties, to redress injuries suffered as a result of California's on-going electricity crisis. The City Attorney's Office plans to retain the assistance of outside counsel experienced in similar litigation, on a contingency fee basis.

The proposed resolution would approve a contingency fee agreement dated as of January 18, 2001 between the City Attorney's Office, on behalf of the City and County of San Francisco, and Milberg Weiss, Bershad, Hynes & Lerach, LLP (Milberg Weiss). According to Mr. Owen Clements from the City Attorney's Office, the contingency fee agreements are not binding until the City Attorney's Office receives approval from the Board of Supervisors and the City Attorney signs the agreement. Mr. Clements states that if the Board of Supervisors does not approve the subject contingency fee agreement, then the City Attorney's Office would not be responsible for any costs that Milberg and Weiss has already incurred.

¹ California State Business and Professions Code 17204 permits City Attorneys to file suit on behalf of the People of the State of California.

Under the proposed contingency fee agreement, Milberg and Weiss would front any costs or expenses of the litigation, would devote attorney time necessary to prosecute the case, and would only recover attorneys' fees and costs if the litigation is successful. Outside counsel will not share in any civil penalties that are recovered. In accordance with the subject agreement, compensation to Milberg and Weiss from any settlement or judgment would be based on the law firm's reasonable disbursements in the litigation, plus 15 percent of any recovery (other than civil penalties), in excess of reasonable disbursements. According to Mr. Clements, reasonable disbursements include such costs as travel expenses, deposition costs and expert witness costs; reasonable disbursements do not include mark-ups above actual costs, meals not connected with travel or costs of transportation between the attorneys residences and office, or disbursements for travel expenses and accommodations that exceed the usual and customary business rate charged in the locality which such expenses are incurred. Recovery shall not include amounts awarded or ordered to be paid as outside counsel attorneys' fees and costs, which would be paid directly to Milberg and Weiss, and deducted from any amounts owed under the subject contingency fee agreement. According to Mr. Clements, the proposed contingency fee of 15 percent would be the same whether the lawsuit goes to court or if the case is settled outside of court. Mr. Clements advises that if the City loses the case against the electricity generators, the City would not be liable for any of the private attorney expenses, which include attorneys' time and other costs incurred while prosecuting the lawsuit against the electricity generators.

The proposed contingency fee agreement between the City and Milberg Weiss also includes specific requirements for the law firm to provide workers compensation, commercial general liability, business automobile liability and professional liability insurance as well as indemnification and

BOARD OF SUPERVISORS

BUDGET ANALYST

hold harmless provisions for the City and its officers.

As of the writing of this report, the City's Risk Manager has not yet reviewed the proposed agreement to determine if the agreement provides sufficient protections for the City regarding insurance and liability concerns.

Comments:

1. Mr. Clements advises that similar lawsuits have been filed by three water districts in San Diego County and one private litigant and similar lawsuits may be filed in other counties. The electricity generators have attempted to remove certain lawsuits to Federal Court. If their effort is unsuccessful, the lawsuits may be coordinated in a single State Court. In that event, the Judicial Council of California will likely decide the location of those various lawsuits.

2. According to Mr. Clements, the law firm of Milberg Weiss was selected on a sole source basis by the City Attorney based on the firm's expertise in complex civil litigation, its representation of other clients in similar litigation, and its past successful representation of Californian cities and counties in the tobacco litigation. The Attachment, provided by the City Attorney's Office, identifies the clients Milberg and Weiss represented in connection with electricity matters. In addition, Mr. Clements reports that Milberg and Weiss was selected because they proposed a reasonable cost and contingency fee arrangement for the case that was as low or lower than those proposed in similar cases. Page 2 of the Attachment, under the heading "Contingency Fee Arrangements in Similar Litigation," discusses the proposed contingency fee agreement and compares the proposed contingency fee of 15 percent to contingency fees charged in other similar lawsuits. Mr. Clements advises that the City Attorney's Office sought outside counsel assistance in the lawsuit against the electricity generators because the City Attorney's Office does not currently have sufficient staff to devote to the lawsuit and the contingency fee agreement limits

the costs to the City, if the City loses the lawsuit (see Comment 4 below).

3. Mr. Clements advises that the lawsuit against the electricity generators was filed as an anti-trust/consumer protection case. Mr. Clements further advises that the proposed 15 percent contingency fee, plus direct expenses cannot be changed without an amendment to the subject contingency fee agreement, which would be subject to the Board of Supervisors approval.

4. As stated above, if the City loses the case against the electricity generators, the City would not be liable for any of the private attorney expenses, which include attorneys' time and other costs incurred while prosecuting the lawsuit against the electricity generators. The City would be liable for City Attorney expenses up to that date and might be held liable for statutory costs, which Mr. Clements reports are limited categories of expenses, such as jury fees, depositions, etc. Page 3 of the Attachment, under the heading titled "Statutory Costs," defines statutory costs and notes that such costs are not expected to exceed \$25,000. Such costs would be shared by other jurisdictions if they join the suit against the electricity generators.

5. Although Mr. Clements cannot currently estimate the likely amount of any recovery that might be received from this lawsuit, the amount of the electricity overcharges in question have been estimated to exceed \$1 billion for the State of California. According to Mr. Clements, San Francisco's share of the \$1 billion overcharge estimate is unclear at this time.

6. In addition to the private law firm to be retained on this case, Mr. Clements reports that, during FY 2000-2001, the City Attorney's Office has incurred expenditures of approximately \$20,000 on this litigation, to date, which was funded by the Affirmative Litigation Fund established by the Board of Supervisors in FY 1999-2000. Although it is difficult to estimate the level of future billings in

complex cases such as this one, Mr. Clements anticipates that the City Attorney's Office will incur approximately an additional \$80,000 in costs on this case during the remainder of FY 2000-2001 for a FY 2000-2001 City Attorney total cost of approximately \$100,000 and an additional \$250,000 in FY 2001-2002. Those costs will also be funded by the Affirmative Litigation Fund. Mr. Clements advises that the Affirmative Litigation Fund was authorized by the Board of Supervisors in the City Attorney's FY 1999-2000 budget in the amount of \$1.3 million.

The Budget Analyst notes that during the FY 1999-2000 budget deliberations, the Budget Analyst recommended and the Finance and Labor Committee approved the deletion of \$2,000,000 for the City Attorney's Affirmative Litigation Fund. The Budget Analyst made this recommendation because the City Attorney would have complete flexibility in spending these Affirmative Litigation Funds without necessarily adhering to the budget which the City Attorney at that time provided to the Budget Analyst and the Board of Supervisors, which specified spending such Funds for the pending lawsuits against the gun manufacturers and the title insurance industry. However, the full Board of Supervisors made a policy decision to restore \$1.3 million for the City Attorney's Affirmative Litigation Fund in the FY 1999-2000 budget.

Mr. Clements advises that these Affirmative Litigation Funds were carried forward to FY 2000-2001 and \$484,953 currently remains in the Affirmative Litigation Fund. According to Mr. Clements, the City Attorney's Office expects to receive, by the end of FY 2000-2001, an additional approximately \$2,000,000 in repayment for the in-house City Attorney costs spent on the tobacco case litigation. Mr. Clements advises that the City Attorney will request the Board of Supervisors approval to use part of the \$2,000,000 recovery to replenish the Affirmative Litigation Fund.

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If the case is not resolved prior to trial, Mr. Clements estimates that the City Attorney's Office will require 2 to 3 Deputy City Attorneys to work part-time on this electricity generator case over the next 3 to 4 years, which together with related support staff and costs will result in total estimated costs to the City of approximately \$250,000 annually or a total of approximately \$1 million during the approximately 4-year period. Mr. Clements states that the City Attorney's Office hopes, but does not guarantee, recovering such costs from the defendants as a result of a favorable settlement or judgement.

7. The subject agreement states that Milberg and Weiss will provide to the City Attorney a specific written description of the projected attorney and paralegal resources that Milberg Weiss will devote to the litigation and that any change in this commitment shall be made only with the prior written agreement of the City Attorney. A report on the work preformed and the expenses incurred in the litigation will be provided quarterly to the City Attorney's Office by Milberg Weiss. The Budget Analyst recommends that periodic reports be provided by the City Attorney's Office to the Board of Supervisors concerning the status of the litigation.

8. If this resolution is approved, then under the proposed contingency fee agreement with Milberg and Weiss, the City Attorney (1) retains the right to add additional law firms as Special Attorneys in this litigation, who would share in the proposed 15 percent contingency fee and would be eligible for reasonable disbursement costs; and, (2) permits the City Attorney to retain the right to add as many additional attorneys and firms who agree to participate on a pro bono publico basis, who would be entitled to minimal cost reimbursements, such as messenger service costs, from the City Attorney's Office. Mr. Clements also advises that any pro bono attorneys would not be eligible to a claim on the settlement or contingency fees.

9. Mr. Clements advises that approval of any proposed settlement of the City's claim in this case would be subject to the Board of Supervisors approval. According to Mr. Clements, if the City obtains a settlement or judgement, the City Attorney's Office would likely request that a portion of these funds be used to reimburse the City Attorney's Affirmative Litigation Fund that was used to fund the City Attorney's costs on this case. However, as noted above in Comment 6, any such appropriation of funds would be subject to the Board of Supervisors approval.

Recommendations:

1. Amend the proposed resolution to require that the City Attorney's Office provide periodic reports on the status of this litigation to the Board of Supervisors, in accordance with Comment 7 above.

2. Request that the City Attorney provide a quarterly accounting of all revenues and expenditures in the Affirmative Litigation Fund to the Board of Supervisors.

3. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CITY ATTORNEY



LOUISE H. RENNE
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MEMORANDUM

TO: MAUREEN SINGLETON, Budget Analyst's Office
FROM: OWEN J. CLEMENTS, Chief of Special Litigation
DATE: February 8, 2001
RE: Contingency Fee Arrangement in Electricity Generators Litigation

In our discussions of your most recent draft report on the contingency fee agreement in the electricity litigation (People v. Dynegy Power Marketing Inc. et al., Board File No. 01-0201), you requested that the City Attorney's Office provide certain information in writing. This memorandum and its attachment provide the requested information. Please let me know if you have any additional questions.

I. PARTIES REPRESENTED BY MILBERG WEISS IN SIMILAR LITIGATION:

The law firm of Milberg, Weiss, Bershad, Hynes & Lerach, LLP ("Milberg Weiss") filed one of the first suits to be brought concerning the present energy crisis in California. That complaint was filed in San Diego County on November 29, 2000, in the case entitled Hendricks v. Dynegy Power Marketing Inc. et al. (S.D. Sup. Ct. No. GIC 758-565.). The Hendricks case was brought as a class action on behalf of all persons in California who have purchased electricity from San Diego Gas & Electric, Southern California Edison, or Pacific Gas & Electric since 1999. Milberg Weiss has already committed substantial resources to the Hendricks case, which San Francisco will benefit from in its case.

A subsequent case was filed in San Diego on behalf of three local water districts. Milberg Weiss is not involved in that case.

Milberg Weiss may also represent other public entities in litigation relating to the electric crisis. Certain entities may join the suit filed by the San Francisco City Attorney's Office, or

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may file separate actions. In addition, a number of private parties represented by other private counsel are likely to file similar cases.

Milberg Weiss successfully represented San Francisco and a number of other California public entities in the tobacco litigation. In addition to San Francisco, Milberg Weiss represented the following public entities in the tobacco cases: the Cities of Los Angeles and San Diego; and the counties of Contra Costa, Marin, Monterey, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Shasta and Ventura. California's cities and counties are projected to receive \$12.5 billion over the next 25 years in settlement payments from the tobacco industry. San Francisco is projected to receive \$586 million of this amount, which has been primarily dedicated to the renovation of Laguna Honda Hospital.

II. CONTINGENCY FEE ARRANGEMENTS IN SIMILAR LITIGATION

Milberg Weiss has agreed to represent San Francisco on a 15% contingency fee basis. They will advance all costs associated with the litigation, and will only be repaid if there is a favorable outcome. Milberg Weiss thus bears the risk of any adverse result.

San Francisco is not privy to the fee arrangements in the San Diego water district cases, which are the only other electricity cases that have been filed to date on behalf of public entities. However, the 15 % contingency fee contract proposed for San Francisco compares favorably to contracts that have been negotiated by public entities in similar complex litigation.

A number of states involved in the early stages of the tobacco litigation (e.g., Massachusetts) had 25% contingency fee contracts. Los Angeles County also had a 25% contingency fee contract in the tobacco case. San Francisco's contract in the tobacco cases called for a 20% contingency fee for the first \$25 million recovered, and a 15% contingency fee thereafter.

In the firearm litigation, several California cities and counties (including San Francisco) have entered contingency fee contracts calling for a 20% fee. Under the contingency fee contract

**Memorandum
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in the firearms case, San Francisco also can be liable for up to \$100,000 per year in out of pocket costs.

In the lead litigation, several public entities (e.g., Rhode Island and Santa Clara county) have entered into contracts specifying a 17% contingency fee. Some of these contracts do not provide for outside counsel to bear all costs of the litigation.

The all expenses paid, 15% contingency fee contract proposed here is thus superior to contracts that are typically entered into in such complex cases. This is especially true when San Francisco's status as a pioneer in this litigation is taken into account.

III. STATUTORY COSTS

As stated above, Milberg Weiss will be responsible for the payment of the out of pocket costs of the litigation, with the possible exception of statutory costs awarded to the defendants as prevailing parties in the event of an adverse judgment. You had asked about the likely amount of such statutory costs. This is difficult to predict in advance, and will vary based on the length of the litigation, the number of parties that become involved as plaintiffs, and the manner in which the case is disposed (e.g., by motion, or after trial).

However, statutory costs are limited to the items listed in California Code of Civil Procedure section 1033.5. These costs include such items as filing fees, jury fees, fees for service of process, court reporter's fees, and witness fees. They do not include such big ticket items as expert fees or costs relating to discovery and document production. Therefore, statutory costs are typically much less than other out of pocket costs associated with complex litigation. In the event of an adverse result, San Francisco's share of statutory costs for the electricity litigation are not expected to be greater than \$25,000, even assuming the matter is fully litigated.

Item 4 - File 01-0202

Department: City Attorney's Office

Item: Resolution approving a contingency fee agreement in County of Santa Clara, et al. v. Atlanta Richfield Company, et al.

Description: On January 22, 2001, the City Attorney's Office instituted litigation on behalf of the City and County of San Francisco, the San Francisco Unified School District, the San Francisco Housing Authority, and the People of the State of California, against manufacturers responsible for lead in paint and related entities pursuant to the City Attorney's authority to protect the public under the California Business and Professions Code nuisance, fraud and negligence, in County of Santa Clara, et al., v. Atlantic Richfield Company, et al (San Francisco is included in "et al"). Other local municipalities that have joined as plaintiffs in the lawsuit include Alameda County, Santa Cruz County, Kern County, Solano County, the City of Oakland, Oakland Housing Authority, Oakland Unified School District and the Oakland Redevelopment Agency. This lawsuit is seeking damages and injunctive and other relief, including restitution and payment of industry profits and civil penalties for monetary damages incurred by the City and County of San Francisco County for public services related to the lead problem including health services for children that have been poisoned by lead and to abate and remediate buildings that contain lead. The pending lawsuit alleges that the manufacturers of lead paint fraudulently concealed the dangers associated with lead paint and created a public and private nuisance in the City and County of San Francisco. The City Attorney's Office plans to retain the assistance of outside counsel experienced in similar litigation relating to lead paint, on a contingency fee basis.

The proposed resolution would approve a contingency fee agreement dated January 22, 2001, between the City Attorney's Office, on behalf of the

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City and County of San Francisco, and the three law firms of (1) Thorton & Naumes, LLP; (2) Ness, Motley, Loadholt, Richardson & Poole, LLP; and, (3) Wartnick, Chaber, Harowitz & Tigerman. This agreement has already been signed by Thorton & Naumes, LLP and Ness, Motley, Loadholt, Richardson & Poole, LLP and is approved by Wartnick, Chaber, Harowitz & Tigerman (the City Attorney's Office is waiting for a final copy of the subject contingency fee agreement to be sent with the law firm's signature). According to Mr. Owen Clements from the City Attorney's Office, the contingency fee agreements are not binding until the City Attorney's Office receives approval from the Board of Supervisors and the City Attorney signs the agreement. Mr. Clements states that if the Board of Supervisors does not approve the subject contingency fee agreement, then the City Attorney's Office would not be responsible for any expenses that the three firms have already incurred.

Under the proposed contingency fee agreement, the three law firms would front any costs or expenses of the litigation, would devote attorney time necessary to prosecute the case, and would only recover attorneys' fees and costs if the litigation is successful. Outside counsel will not share in any civil penalties that are recovered. In accordance with the subject agreement, compensation to the law firms from any settlement or judgment would be based on the law firms' reasonable disbursements in the litigation, plus 17 percent of any recovery (other than civil penalties), in excess of reasonable disbursements. According to Ms. Ingrid Evans of the City Attorney's Office, reasonable disbursements include reasonable travel expenses, deposition costs and expert witness costs. Reasonable disbursements do not include mark-ups above actual costs, meals not connected with travel or costs of transportation between the attorneys residences and office, or disbursements for travel expenses and accommodations that exceed the usual and customary business rate charged in the locality

which such expenses are incurred. Recovery shall not include amounts awarded or ordered to be paid as outside counsel's attorneys' fees and costs, which would be paid directly to the three firms, and deducted from any amounts owed under the subject contingency fee agreement. According to Ms. Evans, the proposed contingency fee of 17 percent would be the same whether the lawsuit goes to court or if the case is settled outside of court. Ms. Evans advises that if the City loses the case against the lead paint manufacturers, the City would not be liable for any of the private attorney expenses, which include attorneys' time and other costs incurred while prosecuting the lawsuit against the lead paint manufacturers.

The proposed contingency fee agreement between the City and the three law firms also includes specific requirements for each of the law firms to provide workers compensation, commercial general liability, business automobile liability and professional liability insurance as well as indemnification and hold harmless provisions for the City and its officers.

As of the writing of this report, the City's Risk Manager has not yet reviewed the proposed agreement to determine if the agreement provides sufficient protections for the City regarding insurance and liability concerns.

Comments:

1. Ms. Evans advises that San Francisco has joined the lawsuit previously filed by Santa Clara County. Ms. Evans further advises that Santa Clara County has retained different outside counsel. Under the terms of the fee agreement that Santa Clara County has entered into, Santa Clara County is required to advance the first \$100,000 in costs for the litigation.

2. According to Ms. Evans, the three law firms to be retained by the City were selected on a sole source basis. Ms. Evans advises that these three law firms were selected as one group by the City Attorney based on the firms' collective experience

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and reputation in this type of litigation and that the three subject law firms have previously worked on private lead paint lawsuits that have been successful. The Attachment, provided by the City Attorney's Office, contains a summary of the qualifications and background of the proposed outside counsel and a list of clients represented by the three law firms connected to lead paint matters. Ms. Evans further states that the three law firms have been previously retained or consulted with various other public entities, including the State of Rhode Island. In addition, Ms. Evans reports that the proposed contingency fee of 17 percent is the same rate used in two other lead lawsuits in the United States. Page three of the Attachment, under the heading, "Contingency Fee Arrangement and Costs," discusses the proposed contingency fee agreement and compares the proposed contingency fee of 17 percent to contingency fees charged in other similar lawsuits.

3. Ms. Evans advises that the lawsuit against the lead paint manufacturers is a personal injury, product liability and nuisance case. Ms. Evans advises that the contingency fee, plus direct expenses cannot be change unless ordered by the court or an amendment to the subject contingency fee agreement, which would be subject to the Board of Supervisors approval.

4. As stated above, if the City loses this case against the lead paint manufacturers, the City would not be liable for any of the private attorney expenses, which include attorney time and other costs incurred while prosecuting the lawsuit against the lead paint manufacturers. The City might be held liable for statutory costs, which Ms. Evans reports are limited categories of expenses, such as jury fees, depositions, etc. Page 4 of the Attachment, under the heading titled "Statutory Costs," defines statutory costs and notes that the City's share of such costs would not be expected to exceed a total of approximately \$10,000.

5. Ms. Evans cannot currently estimate the likely amount of any recovery that might be received from this lawsuit.

6. In addition to the private law firms to be retained on this case, Ms. Evans reports that, the City Attorney's Office will incur expenses in pursuit of this case. In FY 2000-01, the City Attorney's Office already incurred expenditures of approximately \$14,000. According to Ms. Evans, the funds to support City Attorney costs spent on this case are funded from the annually budgeted Department of Health, Lead Hazards Reduction Program, funded through the General Fund with \$50,000 allocated annually for legal services. Ms. Evans states that the City Attorney's Office bills the Department of Public Health as the legal services are provided. Ms. Evans anticipates that the City Attorney's Office will expend approximately another \$34,443 on this case during the remainder of FY 2000-01, for a total of \$48,443 in FY 2000-01, and an additional \$49,571 in FY 2001-02. If the case is not resolved prior to trial, Ms. Evans estimates that the City Attorney's Office will assign a 0.20 FTE City Attorney to work on this case over the next 3 years, which together with related support staff and expenses will result in costs of approximately \$50,000 annually or a total of approximately \$200,000 over the 4-year period.

7. The subject agreement states that the law firms will provide to the City Attorney a specific written description of the projected attorney and paralegal resources that the firms will devote to the litigation and that any change in this commitment shall be made only with the prior written agreement of the City Attorney. A report on the work preformed and the expenses incurred in the litigation will be provided quarterly to the City Attorney's Office by the outside law firms. The Budget Analyst recommends that periodic reports be provided by the City Attorney to the Board of Supervisors concerning the status of this litigation.

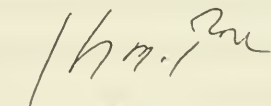
8. If the resolution is approved, then under the proposed contingency fee agreement the City Attorney (1) retains the right to add additional law firms as Special Attorneys in this litigation, who would share in the proposed 17 percent contingency fee and are eligible for reimbursements of their reasonable disbursements; and, (2) permits the City Attorney to retain the right to add as many additional attorneys and firms who agree to participate on a pro bono publico basis, who would be entitled to minimal cost reimbursements, such as messenger service costs, from the City Attorney's Office. Ms. Evans also advises that any pro bono attorneys would not be eligible to a claim on the settlement or contingency fees.

9. Ms. Evans advises that approval of any proposed settlement of the City's claim in this case would be subject to the Board of Supervisors' approval.

Recommendations:

1. Amend the proposed resolution to require that the City Attorney's Office to provide periodic reports on the status of this litigation to the Board of Supervisors, in accordance with Comment 7 above.

2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick
Clerk of the Board
Controller
Stephen Kawa

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CITY ATTORNEY



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MEMORANDUM

TO: MAUREEN SINGLETON, Budget Analyst's Office

FROM: INGRID M. EVANS
Deputy City Attorney

DATE: February 7, 2001

RE: Lead Paint Lawsuit Contingency Fee Arrangement

BACKGROUND AND EXPERIENCE OF PROPOSED COUNSEL:

San Francisco City Attorney Louise Renne selected Neil Leifer of Thornton & Naumes, LLP in Boston, Massachusetts, Jack McConnell of Ness, Motley, Loadholt, Richardson & Poole in Rhode Island and Harry Wartnick of Wartnick, Chaber, Harowitz, Smith & Tigerman in San Francisco to be counsel of record in the lead litigation lawsuit. Neil Leifer of Thornton & Naumes was interviewed approximately six months ago by City Attorney Louise Renne. Mr. Leifer has obtained a national reputation in the area of lead litigation and was responsible for filing the first childhood lead poisoning lawsuit against the lead industry fifteen years ago. He has been litigating lead poisoning issues since that time and, through past litigation, has obtained much of the evidence necessary to prove liability against the lead paint industry in the present action. Mr. Leifer has lectured extensively and published articles in the area of lead litigation and is currently a member of the Massachusetts Childhood Lead Poisoning Prevention Advisory Committee.

Mr. Leifer has worked closely in the past with the New York Housing Authority in relation to its lawsuit against the lead paint industry. Neil Leifer currently represents a class of children in Ohio that have been poisoned by lead paint and individuals injured by lead paint. Mr. Leifer has extensive litigation experience in the area of complex product liability lawsuits including asbestos and tobacco. The Attorney General of Massachusetts selected Thornton &

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Memorandum

Naumes to represent the Commonwealth of Massachusetts in its successful lawsuit against the Tobacco industry.

The law firm of Ness, Motley, Loadholt, Richardson & Poole also has a national reputation in the area of complex product liability litigation. Jack McConnell, a partner at Ness, Motley, Loadholt, Richardson & Poole, is currently representing the State of Rhode Island in a lawsuit against the lead paint industry and has consulted with a number of other municipalities in potential lawsuits against the industry. Ness, Motley, Loadholt, Richardson & Poole have worked closely with Thornton & Naumes in lead paint lawsuits and also have knowledge about the industry and have obtained liability documents against the lead paint manufacturers that will be helpful in San Francisco's lawsuit. Mr. McConnell was counsel to 25 state Attorneys General in litigation against the tobacco industry.

Wartnick, Chaber, Harowitz, Smith & Tigerman in San Francisco were recommended by Thornton & Naumes and Ness, Motley, Loadholt, Richardson & Poole and have also been chosen as local counsel for the lead litigation lawsuit based on their extensive experience in complex product liability lawsuits. It is necessary to have a local law firm involved in the lawsuit under California law. Harry Wartnick has been a national crusader in the fight against the asbestos industry. He has represented thousands of individuals injured and killed by asbestos. Mr. Wartnick's firm has also been involved in the tobacco litigation and obtained an impressive \$50,000,000 verdict against the tobacco industry on behalf of an individual plaintiff.

The above-referenced law firms have impressive credentials and extensive knowledge about the lead paint industry and complex litigation. The San Francisco City Attorney has selected these law firms to represent San Francisco based on their background and experience. Contingency fee counsel will take the laboring oar in prosecuting the action, however, attorneys from the San Francisco City Attorney's Office will stay involved in the case and monitor the activities of outside counsel.

Memorandum**CONTINGENCY FEE ARRANGEMENT AND COSTS:**

Outside counsel has agreed to represent San Francisco on a 17% contingency fee basis. Outside counsel will advance all costs, and will only be repaid if there is a favorable outcome. Outside counsel thus bears the risk of any adverse result. The 17% contingency fee is the same fee on which counsel has been retained in similar lead litigation across the country. In fact, San Francisco's contingency fee arrangement is better than that approved by Santa Clara County (Santa Clara agreed to advance \$100,000 in costs whereas San Francisco will not have to advance any costs). It should also be noted that many of the tobacco contingency fee agreements across the country were higher than the current lead litigation contingency fee agreement (tobacco contingency fee contracts ranged from 20 - 25%). In San Francisco the tobacco contingency fee agreement was set at 20% for the first 25 million recovered and 15% thereafter.

In order to participate effectively in the suit, San Francisco will need to commit some staff time to gathering relevant information. For example, various departments will be asked to gather information about costs incurred in abating the lead problem in their buildings. Outside counsel and attorneys from the City Attorney's Office will assist in these tasks.

STATUTORY COSTS:

As stated above, outside counsel will be responsible for the payment of the out of pocket costs of the litigation, with the possible exception of statutory costs awarded to the defendants as prevailing parties in the event of an adverse judgment. You had asked about the likely amount of such statutory costs. This is difficult to predict in advance, and will vary based on the length of the litigation, the number of parties that become involved as plaintiffs, and the manner in which the case is disposed (e.g., by motion, or after trial).

However, statutory costs are limited to the items listed in California Code of Civil Procedure section 1033.5. These costs include such items as filing fees, jury fees, fees for service of process, court reporter's fees, and witness fees. They do not include such big ticket items as expert fees or costs relating to discovery and document production. Therefore, statutory costs are typically much less than other out of pocket costs associated with complex litigation.

Memorandum

In the event of an adverse result, costs would be apportioned among the seven plaintiffs bringing the lawsuit. San Francisco's share of statutory costs for the lead paint litigation are not expected to be greater than \$10,000, even assuming the matter is fully litigated.



City and County of San Francisco

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Meeting Minutes
Audit, Labor and Government Efficiency
Committee

74102-1007

Members: *Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick*

Clerk: *Mary Red*

Tuesday, February 13, 2001

1:00 PM

City Hall Room 263

Regular Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

The meeting convened at 1:14 p.m.

DOCUMENTS DEPT.

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REGULAR AGENDA

010107 [Memorandum of Understanding, Local 790 Fire Rescue Paramedics]

Ordinance adopting and implementing the terms of a Memorandum of Understanding between the Service Employees International Union, AFL-CIO, Local 790, and the City and County of San Francisco for the H-1 Fire Rescue Paramedics to be effective for the period July 1, 1999 through June 30, 2001. (Human Resources Department)

(Fiscal impact.)

1/17/01, RECEIVED AND ASSIGNED to Finance and Labor Committee.

2/1/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee. New committee structure.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Supervisor McGoldrick; Supervisor Daly; Alice Villagomez, Deputy Director of ERD, Human Resources Department.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

002190 [Reimbursement to Employees - Fourth Quarter, 2000]

Hearing to consider claims of employees, various departments, for reimbursement of personal property damaged/stolen in the line of duty. (October/November/December)

12/11/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. 12/11/00 - From Recreation and Park Department, Van C. Kindel, repair costs of 1992 Toyota Pickup - \$2,476.38.

2/1/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee. New committee structure.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Joe Matranga, Controller's Office.

PREPARED IN COMMITTEE AS A RESOLUTION.

Resolution authorizing reimbursement for cost of personal property of City and County employees damaged/stolen in the line of duty.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010201 [Contingent Fee Agreement in Electric Power Litigation]

Resolution approving contingency fee agreement in People of the State of California by and through San Francisco City Attorney Louise H. Renne v. Dynegy Power Marketing, Inc., et al. (City Attorney)
1/31/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Supervisor McGoldrick; Supervisor Daly; Ted Lakey, Deputy City Attorney; Supervisor Newsom; Owen Clements, Deputy City Attorney.
Amended to require City Attorney to provide periodic reports on status of litigation; and quarterly accounting of revenues and expenditures in Affirmative Litigation Fund to the Board; new title.

AMENDED.

Resolution approving contingency fee agreement in People of the State of California by and through San Francisco City Attorney Louise H. Renne v. Dynegy Power Marketing, Inc., et al.; requiring reports from the City Attorney. (City Attorney)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010202 [Lead Litigation Contingency Fee Agreement]

Resolution approving contingency fee agreement in County of Santa Clara, et al. v. Atlantic Richfield Company, et al. (City Attorney)

1/31/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Ted Lakey, City Attorney; Supervisor Daly.

Amended to require the City Attorney's Office to provide periodic reports on the status of this litigation to the Board; new title.

AMENDED.

Resolution approving contingency fee agreement in County of Santa Clara, et al. v. Atlantic Richfield Company, et al.; requiring report from the City Attorney. (City Attorney)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

001638 [Controller's Audit, Marina Yacht Harbor]

Supervisor Newsom

Resolution urging the Recreation and Park Department to implement, with all due haste, the recommendations stemming from the Controller's 2000 San Francisco Marina Small Craft Harbor Report.

9/18/00, REFERRED FOR ADOPTION WITHOUT COMMITTEE REFERENCE AGENDA AT THE NEXT BOARD MEETING.

9/25/00, SEVERED FROM FOR ADOPTION WITHOUT COMMITTEE REFERENCE AGENDA. Supervisor Becerril requested this matter be severed so it could be considered separately.

9/25/00, REFERRED to Audit and Government Efficiency Committee. Supervisor Becerril requested this matter be sent to Committee.

10/4/00, TRANSFERRED to Finance and Labor Committee.

2/1/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee. New committee structure.

Heard in Committee. Speakers: Supervisor Newsom; Mark Tipton, Performance Audit Manager, Controller's Office; Supervisor Daly; Supervisor McGoldrick; Ed Harrington, Controller; Andrew Gillory, Assessor's Office; Mike Morlan, Recreation and Park Department; Jack Kaus; Joan Girardot, Marina Civic Improvement Committee; John Jacobs, Marina Tenants Association; Emeric Kalman; Isabel Wade, Neighborhood Parks Council; Courtney Clarkson; Norman Pearce; Les Goldner, President, Marina Harbor Tenants Association.

Amendment of the Whole reflecting amendments made in committee.

Supervisor McGoldrick dissenting in committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

Recommended to Board February 26, 2001.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Newsom, Daly

Noes: 1 - McGoldrick

LITIGATION

010006 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Lesha Taylor and Melanie Vaughn against the City and County of San Francisco for \$100,000; the lawsuit was filed on March 24, 1999 in San Francisco Superior Court, Case No. 302210; entitled Taylor et al. v. City and County of San Francisco, et al. (City Attorney)

12/21/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated December 11, 2000 is on file with the Clerk of the Board.

2/1/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee. New committee structure.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010028 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by David L. Birkholz, An Incompetent, et al. versus the City the County of San Francisco for \$50,000.00; the lawsuit was filed on 6/22/95 in Superior Court of San Francisco, Case No. 970-567; entitled David L. Birkholz, An Incompetent, et al. v. State of California, City and County of San Francisco, et al; material terms of said settlement are: in consideration of City making payment of \$50,000.00 to the plaintiff, the plaintiff agrees to dismiss the suit against the City and County of San Francisco and all the individually named City employee defendants. (City Attorney)

1/3/01, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee. Confidential letter dated November 27, 2000 is on file with the Clerk of the Board.

2/1/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee. New committee structure.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010160 [Settlement of Litigation]

Ordinance authorizing settlement of the lawsuits filed by Golden Eagle Insurance Co. and Martha Johnson against the City and County of San Francisco for the total amount of \$150,000; the lawsuits were filed on August 17, 1998 and August 25, 1998 in San Francisco Superior Court, Case Nos. 997-242 and 997-465; entitled Golden Eagle Insurance Co. v. City and County of San Francisco, et al. and Martha Johnson v. City and County of San Francisco, et al. (City Attorney)

1/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Confidential letter dated December 6, 2000 is on file with the Clerk of the Board.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

Report on Closed Session.

Deputy City Attorney Ted Lakey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

ADJOURNMENT

The meeting adjourned at 4:30 p.m.

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CITY AND COUNTY



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BUDGET ANALYST

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February 22, 2001

TO: Audit, Labor & Government Efficiency Committee
FROM: Budget Analyst
SUBJECT: February 27, 2001 Audit, Labor & Government Efficiency Committee Meeting

Item 5 - File 01-0225

Department: Public Utilities Commission (PUC)
Hetch Hetchy Water & Power

Item: Proposed Ordinance amending Ordinance No. 54-92 to increase the authority of the Public Utilities Commission to approve agreements with the Western System Power Pool from one year to periods of not to exceed five years.

Description: In February of 1992, the Board of Supervisors adopted Ordinance No. 54-92 (File 172-92-2) which permitted the Public Utilities Commission to enter into agreements with the Western System Power Pool (WSPP) for the purchase of electric power for periods of up to one year.

According to Ms. Laurie Park, Acting General Manager of Hetch Hetchy, the WSPP is an association of over 150 utilities, power marketers and brokers that was formed for the purpose of facilitating wholesale power transactions among its membership. Hetch Hetchy joined the WSPP in 1992. Since 1992, Hetch Hetchy has utilized its authority under Ordinance 54-92 to purchase power during periods of each year when Hetch Hetchy's own hydroelectric power generation is insufficient to meet the

needs of City departments (i.e. the "Municipal Load") and its contractual obligations to the Modesto and Turlock Irrigation Districts.

Ms. Park has provided a memorandum, included as an Attachment¹ to this report that addresses the benefits and risks of entering into Multi-Year Power Purchase Agreements with members of the WSPP. Ms. Park notes that, although power purchase prices have historically ranged from \$30 to \$40 per megawatt hour² recent purchases in the wholesale power market have averaged as much as \$244 per megawatt hour in December of 2000, \$183 per megawatt hour in January of 2001 and \$235 per megawatt hour in February of 2001. Since July 1, 2000, the average price of wholesale power purchased by Hetch Hetchy has been \$164.04 per megawatt hour.

According to the Attached memorandum, market forecasts expect electric shortages to continue and for prices to remain volatile for a period of up to three years. The Attachment adds that volatile prices can be significantly moderated by extending the term of WSPP power purchase commitments beyond the current maximum of one year, noting that longer term purchase agreements should reflect expectations of less risk, especially for years beyond the current forecasts of electric shortages that are expected to continue for three years.

By entering into longer term agreements, Hetch Hetchy could achieve significant savings, although such savings cannot be estimated at this time (see Comment 1). However, by entering into such agreements, the City may become obligated to purchase power at higher prices in the future should electric supplies improve and short term wholesale prices fall to previous levels.

¹ The attached memorandum refers to further attachments including Energy Forecasts, diagrams illustrating price volatility in the daily power market and the risks and benefits of a Multi-Year Power Purchase. These documents will be provided separately by Hetch Hetchy to the Audit, Labor and Government Efficiency Committee at the meeting of February 27, 2001.

² A megawatt hour is equivalent to 1,000 kilowatt hours, or enough power to provide electricity to one thousand homes for a period of one hour.

Comments

1. Hetch Hetchy has recently issued an invitation for bids to WSPP wholesale power providers for multi-year power purchase agreements in order to determine the best power prices available under current market conditions. Ms. Park states that Hetch Hetchy will be able to inform the Audit, Labor and Government Efficiency of the results of that bid process at the Committee's meeting of February 26, 2001.

2. On Wednesday, February 28, 2001, the Finance Committee will consider a proposed supplemental appropriation in the amount of of \$25,400,000 in Hetch Hetchy funds for power purchases. For FY 2000-2001, Hetch Hetchy originally budgeted a total of \$17,600,000 for the purchase of power for resale. According to Ms. Park, as of February 19, 2001, Hetch Hetchy had expended a total of \$36,010,488, which is \$18,410,488, or 104.6 percent, more that the amount of \$17,600,000 budgeted for the entire fiscal year. Based on projections provided by Ms. Park, Hetch Hetchy will expend an estimated total of \$41,218,088 to purchase power for resale FY 2000-2001, which will be \$23,618,088, or 134.2 percent, more than the original budgeted amount of \$17,600,000.

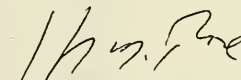
3. The City is currently under long-term agreements with the Modesto and Turlock Irrigation Districts ("the Districts") for the sale of Hetch Hetchy hydroelectric power. These Long-Term Power Sales Agreements began on April 1, 1988 and will expire on June 30, 2015, for a term of 27 years and three months each. Under these Long-Term Power Sales Agreements, the City has a firm obligation to sell to the Districts sufficient energy to meet the Districts' demand for "Class 1" power (used for actual municipal public purposes and irrigation pumping for agriculture) and "Class 3" (the remainder of energy Hetch Hetchy must sell under the Agreements) power. Further, under these long-term power sales agreements, the Modesto and Turlock Irrigation Districts have the right of first refusal for purchasing Hetch Hetchy's excess energy from hydroelectric generation. Because of the structure of these agreements, Hetch Hetchy must sell Class 1 power at a price of \$15.87 per megawatt hour and Class 3 power at a price of \$34.10 per megawatt hour. Therefore, Hetch Hetchy has been required to purchase power at an

average price of \$164.04 during Fiscal Year 2000-2001 and resell such power to meet the demands of the Districts at a loss ranging from an average of \$148.17 per megawatt hour for Class 1 power (\$164.04 less \$15.87) and \$129.94 per megawatt hour for Class 3 power (\$164.04 less \$34.10).

4. Based on data provided by Hetch Hetchy, the Budget Analyst estimates that, for the six months from July 1, 2000 through December 31, 2000, Hetch Hetchy purchased a total of 143,836 Megawatt hours for resale to the Modesto and Turlock Irrigation Districts at a total cost of \$21,576,318 and an average cost of \$150 per Megawatt hour. As a result, as of December 31, 2000, Hetch Hetchy has lost an estimated total of \$17,711,197 resulting from its obligation to sell hydroelectric power to the Modesto and Turlock Irrigation Districts. This estimated loss of \$17,711,197 is the difference between the total cost of \$21,576,318 to purchase power less approximately \$3,865,120 paid to Hetch Hetchy by the Modesto and Turlock Irrigation Districts for such power.

5. According to Ms. Park, the City is currently exploring its legal options under the contracts with the Modesto and Turlock Irrigation Districts. In the professional judgment of the Budget Analyst, the City's obligations under the existing contracts would result in significant losses to the City given the current market for the purchase of wholesale power. If such contractual obligations and market conditions remain unchanged in the future, the City will obviously lose millions of dollars each year. For that reason, the Budget Analyst recommends approval of this proposed ordinance.

Recommendation: Approve the proposed ordinance.


Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick

Clerk of the Board
Controller
Stephen Kawa

BOARD OF SUPERVISORS
BUDGET ANALYST



SAN FRANCISCO PUBLIC UTILITIES COMMISSION



MEMORANDUM

**WATER
HETCH HETCHY
WATER & POWER**

WILLIE L. BROWN, JR.
MAYOR

**PRESIDENT
VICTOR G. MAKRAS
VICE PRESIDENT
ANN MOLLER CAEN
E. DENNIS NORMANDY
FRANK L. COOK
ASHOK KUMAR BHATT**

JOHN P. MULLANE, JR.
GENERAL MANAGER

TO: Board of Supervisors Budget Analyst
Attention: Ken Bruce

FROM: Laurie Park, Hetch Hetchy Water & Power

SUBJECT: Request for Authorization
to Enter into Multi-Year Power Purchase Agreements
with members of the Western System Power Pool

DATE: February 21, 2001

The purpose of this memorandum is to reply to questions raised by the Board of Supervisors Budget Analyst with respect to Hetch Hetchy's request for authorization to enter into multi-year agreements to purchase power and power support services from members of the Western System Power Pool ("WSPP"). Hetch Hetchy is a member of the WSPP.

Background

The WSPP is an association of over 150 utilities, power marketers and brokers that was formed for the purpose of facilitating wholesale power transactions among its membership. Hetch Hetchy joined the WSPP in 1992. The Board authorized Hetch Hetchy to join WSPP and to enter into contracts with other WSPP members for terms up to one year.

As you are aware, the California wholesale power market is presently very volatile due to a combination of shortages of natural gas and electric supplies, extreme temperatures (hot summer and cold winter) and continued dry hydrology in the Western U.S. Whereas wholesale power prices typically range from \$30 to \$40 per megawatt hour (MWhr) during this time of year, we paid \$244 in December, \$183 in January and \$235 in February.

Wholesale Power Market Outlook

Hetch Hetchy subscribes to an expert forecast produced by PIRA Energy Group in New York. The PIRA forecast issued on January 23, 2001 projected that prices would remain high - in the \$125 to \$375 per megawatt hour (MWhr) range from March through September. Commencing October, the price is predicted to drop to \$115 per MWhr, and then to almost "normal" levels by November & December 2001 (\$60 and \$65 per MWhr respectively). An updated forecast is due within a few days. In this forecast, we expect PIRA will re-address their assumption in the January 2001 forecast that west coast reservoirs will be "normal" by October 1, 2001.

PIRA believes that continued shortages of natural gas supplies will keep prices higher than "normal" (although hopefully, not at the extraordinarily high levels experienced this winter) until gas production catches up with demand. PIRA experts believe that may occur within 12-18 months.

In the meantime, the daily California wholesale power market remains very volatile. The market presently appears to expect continued gas supply shortages through at least October, and electric supply shortages for about 3 years while new large merchant plants are being constructed.

Volatility can be significantly moderated by extending the term of power purchase commitments beyond the period of resource shortages. In that manner, power suppliers spread the high cost of power in the first 3 years over the full term of the contract. Presently, the market is quoting lowest prices for purchase commitments of 5-10 years. Since the market expects electric shortages to continue for up to 3 years, Hetch Hetchy is issuing a request for bids for multi-year purchases of power.

The advantage to the City of a multi-year power purchase is that reducing the level of expenditures for power purchases over the next few years would allow Hetch Hetchy to meet its operating costs without relying upon subsidies from the General Fund. In addition, since Hetch Hetchy has no debt, it is important that operating margins are capable of supporting critical capital repairs and replacements on the Hetch Hetchy system. Key among our concerns, for example, is sufficient funding every year to support repairs to the San Joaquin Pipeline, the principal artery for delivery of the City's drinking water supply.

The disadvantage to the City of a multi-year power purchase is that the upfront benefits of lower power prices in the first 3 years when power shortages are expected to continue may result in prices higher than short term "market" in future years. The longer the term of the purchase, the lower the risk that power prices in future years will be out of synch with then-current "market".

We have not yet received binding bids for such multi-year power purchases. However, we can provide an illustration of how a multi-year power purchase could reduce Hetch Hetchy's expenditures for purchased power over the next 3 years to manageable levels. Attachment 3 illustrates futures price indications for the next 3 years by one broker, TFS Energy. The price assumptions for years 4 and 5 are based upon conversations with other power marketers and are provided for illustrative purposes only. (Note: Actual differences in pricing for the multi-year options shown are unlikely to be as simple as the averaging method applied for illustration purposes. The market generally feels that longer term purchases are less risky, and longer term price quotes should reflect expectations of lower risk.)

Attachment

- 1 PIRA Energy Forecast dated January 23, 2001
- 2 Diagram Illustrating Price Volatility in the Daily Power Market (December 2000)
- 3 Risks and Benefits of a Multi-Year Power Purchase

Distribution

Mayor's Budget Office – James Maclachlan
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PUC Assistant General Managers - Larry Klein, Bill Berry
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Committee

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, February 27, 2001

1:00 PM

City Hall Room 263

Regular Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

The meeting convened at 1:15 p.m.

REGULAR AGENDA

010324 [Engineering and information technology positions]
Supervisor McGoldrick

Hearing to consider recruitment and retention problems in engineering and information technology positions with the City and County of San Francisco.

2/20/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Sponsor requests this matter be heard at the February 27, 2001 Audit, Labor and Government Efficiency Committee meeting.

Heard in Committee: Speakers: Supervisor McGoldrick; Amy Lee, Assistant Director, Department of Building Inspection; Monique Zmuda, Chief Financial Officer, Department of Public Health (DPH); Geoffrey Rothman, ERD, Human Resources Department; Supervisor Daly; Julie Dawson, Department of Parking and Traffic (DPT); Ed Lee, Director, Department of Public Works (DPW); Robert Beck, (DPW); Patrick Cox, Recreation and Park Department; Liza Lowrey, Director, Department of Technology and Information Services (DTIS); James Albert, Director, Information Technology Department, Municipal Railway (MUNI); Bill Neilson, MUNI; John Barnett, Port; Mike Quan, Public Utilities Commission (PUC); Kathy Wagner, Airport; Leslie Abbott, Local 21; Kathleen Price, PUC; Henry Anderson, PUC; Qingweh Xi, MUNI; Azalea Aguilar, PUC; Amanuel Haile, DPT; Frank Lau, MUNI; Ray Batista; Christina Calderon, DPT; Bruce Whitten, DPT; Roop Jindal; DPT; Skip Zeller, Port; Manito Valasco, DPT; Carol Isen, Local 21; Pedro Martinez, Local 21; Robert Cefalu; Richard Isen, DTIS; Mary Figliulo, DPH; Marco DelGrosso, Airport; Steve Solnit, AIDS Office, DPH; David; Ken Bruce, Budget Analyst's Office; Supervisor Newsom.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

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010292 [Independent Audits]**Supervisor Newsom**

Hearing to consider the Comprehensive Annual Financial Report for the City and County of San Francisco as issued by the City's independent auditors for the fiscal year ended June 30, 2000, in accordance with Charter Section 9.117.

2/12/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Sponsor requests this item be scheduled for consideration at the February 27, 2001 meeting.

Heard in Committee. Speakers: Ed Harrington, Controller; Tiffany Rasmussen, KPMG, LLP; Supervisor Newsom; Raul Hernandez, Rodriguez, Perez, Delgado & Co.; Thomas Pyper, Karling & Associates, LLP. Supervisor Daly absent for vote.

FILED by the following vote:

Ayes: 2 - Newsom, McGoldrick

Absent: 1 - Daly

010298 [Independent Audits]**Supervisor Newsom**

Hearing to consider the final management letters and comments for the City and County of San Francisco as issued by the City's independent auditors for the fiscal year ended June 30, 2000, in accordance with Charter Section 9.117.

2/12/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Sponsor requests this item be scheduled for consideration at the February 27, 2001 meeting.

Heard in Committee. Speakers: Ed Harrington, Controller; Tiffany Rasmussen, KPMG, LLP; Supervisor Newsom; Raul Hernandez, Rodriguez, Perez, Delgado & Co.; Thomas Pyper, Karling & Associates, LLP. Supervisor Daly absent for vote.

FILED by the following vote:

Ayes: 2 - Newsom, McGoldrick

Absent: 1 - Daly

010137 [Family Service Agency]**Supervisor Ammiano**

Hearing to inquire into contract compliance and labor practices of the Family Service Agency TAP Program located at 2730 Bryant Street.

1/22/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Continued to March 13, 2001.

CONTINUED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010225 [Western Systems Power Pool]**Mayor**

Ordinance amending Ordinance No. 54-92 to increase the authority of the Public Utilities Commission to approve agreements with the Western System Power Pool from one year to periods not to exceed five years.

2/5/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Laurie Park, Acting General Manager, Hetch Hetchy Water & Power; Supervisor Newsom; Supervisor McGoldrick; Supervisor Daly; Kingsley Okareke, Director of Finance, Public Utilities Commission; Karin Carlson, Mayor's Budget Office; Ted Lakey, Deputy City Attorney.

REFERRED WITHOUT RECOMMENDATION by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

LITIGATION

010220 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Donald Herbert Holcomb against the City and County of San Francisco for \$1,125,000.00; the lawsuit was filed on September 19, 1999 in San Francisco, Case No. 309395; entitled Donald Herbert Holcomb, et al., v. City and County of San Francisco, et al. (City Attorney)

2/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Confidential letter dated January 17, 2001 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

Report on Closed Session.

Deputy City Attorney Ted Lakey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

ADJOURNMENT

The meeting adjourned at 5:50 p.m.

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642

FAX (415) 252-0461

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March 8, 2001

MAR 12 2001

TO: Audit, Labor & Government Efficiency Committee

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FROM: Budget Analyst

SUBJECT: March 13, 2001 Audit, Labor & Government Efficiency Committee Meeting

Item 1 - File 01-0364

Department: Department of Public Health (DPH)

Item: Resolution authorizing the acceptance and expenditure of a gift bequeathed to San Francisco General Hospital of \$228,932 from the estate of LeMar Hoaglin.

Gift Amount \$228,932

Source of Gift: Estate of LeMar Hoaglin

Description: The proposed resolution would authorize the Department of Public Health (DPH) to accept and expend a gift of \$228,932 from the estate of Mr. LeMar Hoaglin to be used exclusively for AIDS research at San Francisco General Hospital.

Comment: In January of 2000, the Board of Supervisors authorized DPH to accept and expend a gift of \$200,000 bequeathed by Mr. Hoaglin to San Francisco General Hospital to be used exclusively for AIDS research (File 99-1809). At that time, the amount of \$200,000 was a preliminary estimate pending the liquidation of real estate holdings and other

assets. The subject gift of an additional \$228,932 constitutes the final distribution from the estate of Mr. Hoaglin to San Francisco General Hospital, bringing the total gift amount to \$428,932. According to Ms. Monique Zmuda of the DPH, the subject funds will be used exclusively for AIDS research at San Francisco General Hospital, consistent with the estate's directives. As of the writing of this report, according to Mr. James Alexander of the DPH, none of the \$428,932 in subject funds has been spent, and DPH does not have a detailed budget for the use of the subject funds.

Recommendations:

1. Given the size of this gift at \$428,932 and the lack of budget details from the Department, amend the proposed resolution to require DPH to report back to the Board of Supervisors on the actual expenditures from this gift.
2. Approve the proposed resolution, as amended.

Item 2 - Files 01-0367

Department: Department of Human Resources (DHR)

Items: Ordinance implementing Amendment No. 1 to the FY 1997-2001 four year Memorandum of Understanding between the Carpenters, Local Union No. 22 and the City and County of San Francisco by appending the following list of existing and past practices pursuant to Article VI.C. of the Memorandum of Understanding.

Description: The proposed ordinance would amend an existing Memorandum of Understanding (MOU) between the Carpenters, Local Union No. 22 and the City and County of San Francisco to add existing and past practices. According to Ms. Alice Villagomez of the Department of Human Resources (DHR), the proposed amendment codifies existing and past practices and will not result in any additional costs to the City, as stated in the Attachment, provided by DHR (see Comment No. 1).

In 1997 the Board of Supervisors approved an MOU with the Carpenters, Local Union No. 22, for the four-year period from July 1, 1997 through June 31, 2001. The MOU with the Carpenters, Local Union No. 22 covers the following six classifications at 10 City departments, comprising a total of 106.75 full time equivalent (FTE) positions: Carpenter Supervisor I, Locksmith Supervisor I, Carpenter Supervisor II, Locksmith, Carpenter and Patternmaker. The 10 City departments include: Administrative Services, Airport, Convention Facilities, Public Utilities Commission, Municipal Railway (MUNI), Public Works, Public Health, Public Library, Port and Recreation and Park.

The subject ordinance would approve Amendment No. 1 to the subject MOU with Local No. 22. Ms. Villagomez states that Amendment No. 1 contains the following existing and past practices not specifically stated in the current MOU, as previously approved by the Board of Supervisors.

Department-Wide

Parking

Employees will continue to have access to free parking at each department, to the extent that such parking is available.

Work Gear

The City will continue to provide overalls to employees covered under the subject MOU.

MUNI Cable Car Division

Work Schedules

Employees will continue to receive two paid 15-minute breaks for each full-time shift. Overtime will continue to be distributed equally among all employees covered by the subject MOU. Vacation sign-ups will continue on a seniority basis within the Division. Preparation time/clean-up time of 10 minutes at the start of the shift and 10 minutes at the end of the shift will continue to be provided.

Safety

The City will continue to conduct safety meetings in accordance with the California Occupational Safety and Health Administration (CAL-OSHA) requirements.

Tools

Employees will continue to supply his/her own personal hand tools. The City will continue to supply power tools and any specialty hand tools required for a job.

The City will continue to provide lockers as available.

MUNI Building and Grounds

Work Schedules

Employees will continue to receive one unpaid 30-minute meal period at approximately mid-shift. In addition, two 15-minute breaks will continue to be provided for each full-time shift. Overtime will

continue to be scheduled at the discretion of the supervisor by seniority. Vacation sign-ups and vacation requests will continue to be submitted at least five days in advance of the time off requested. Preparation time and clean-up time of 15 minutes at the start of the shift and 15 minutes at the end of the shift will continue to be provided.

Safety

The City will continue to conduct safety meetings in accordance with CAL-OSHA requirements.

Tools

The City will continue to provide lockers as available.

Employee Handbooks

The City will continue to provide Employee Handbooks to all employees covered under the subject MOU.

MUNI Woods Division

Work Schedules

Employees will continue to receive one unpaid 30-minute meal period at approximately mid-shift. In addition, two 15-minute breaks will continue to be provided for each full-time shift. Overtime will continue to be scheduled at the discretion of the supervisor on an as-needed basis. Clean-up time of 15 minutes at the end of each shift will continue to be provided. Vacation sign-ups and vacation requests will continue to be submitted at least five days in advance of the time off requested and approved on a seniority basis.

Safety

The City will continue to conduct safety meetings in accordance with CAL-OSHA requirements.

Tools/Work Gear

Employees will continue to supply his/her own personal hand tools. The City will continue to supply any power tools required. The City will

provide lockers as available. The overalls provided by the City to covered employees will be cleaned weekly and replaced when necessary.

MUNI Cable Car Pattern Shop

Work Schedules

Employees will continue to receive one unpaid 30-minute meal period at approximately mid-shift. In addition, two 15-minute breaks will continue to be provided for each full-time shift. Overtime will continue to be distributed in both the pattern carpentry shop and the carpenter shop on an as-needed basis. Clean-up time of 15 minutes at the end of each shift will continue to be provided.

Safety

The City will continue to conduct safety meetings in accordance with CAL-OSHA requirements.

Tools

Employees will continue to supply his/her own personal normal pattern maker tools. The City will continue to supply all expendable tools (for example, "C" drill bits, screwdriver bits) and any power tools required for a job.

The City will continue to provide lockers as available.

Port

Work Schedules

Employees will continue to receive one unpaid 30-minute meal period at approximately mid-shift. In addition, two 15-minute breaks will continue to be provided for each full-time shift, one at approximately two hours into the shift and one at approximately six hours into the shift.

Public Utilities Commission –
Sunol/Millbrae

Work Schedules

Employees will continue to receive one unpaid 30-minute meal period at approximately mid-shift. In addition, two 10-minute breaks will continue to be provided for each full-time shift, one at approximately two hours into the shift and one at approximately six hours into the shift. When an employee has worked at least five hours of overtime, a meal period or break period will continue to be provided as required by Federal law. Overtime will continue to be scheduled at the discretion of the supervisor on a rotation basis in consideration of the cumulative overtime hours each employee has worked. Employees will continue to receive a reasonable amount of clean-up time at the end of each work day.

Safety

The City will continue to conduct safety meetings in accordance with CAL-OSHA requirements.

Tools

Employees will continue to supply his/her own personal hand tools other than specialty tools. The City will continue to supply large tools (for example, table saw and skill saw) and any specialty tools required for a job.

The City will continue to provide on-site lockers as available.

Public Utilities Commission – Water at
Central Distribution Division

Work Schedules

Employees will continue to receive two 15-minute breaks for each full-time shift, one at approximately two hours into the shift and one at approximately six hours into the shift. Employees will continue to receive a reasonable amount of clean-up time at the end of each work day.

Safety

The City will continue to conduct safety meetings in accordance with CAL-OSHA requirements.

Work Gear

The City will continue to provide lockers as available. Employees will continue to be allowed to use a City washing machine and laundry soap to wash overalls as available.

**Public Utilities Commission -
Hetch Hetchy**

Tools

Any personal tools damaged or lost on the job will continue to be replaced by the City per the subject MOU.

Work Schedules

Employees will continue to receive two 15-minute breaks for each full-time shift, one at approximately two hours into the shift and one at approximately six hours into the shift.

Work Gear

The City will continue to supply hip waders or high boots.

Administrative Services - Purchasing

Work Schedules

Employees will continue to receive one unpaid 30-minute meal period at approximately mid-shift. In addition, two 15-minute breaks will continue to be provided for each full-time shift. Employees will continue to receive 15-minutes of clean-up time at the end of each work day. As in current practice, the City will not use funeral leave or jury duty to disqualify an employee from overtime assignments.

Safety

The City will continue to conduct safety meetings in accordance with CAL-OSHA requirements.

Tools

Employees will continue to supply his/her own personal normal pattern maker tools. The City will continue to supply all expendable tools and any power tools required for a job.

The City will continue to provide lockers as available.

Recreation and Park

Work Schedules

Employees will continue to receive two 15-minute breaks for each full-time shift, one at approximately two hours into the shift and one at approximately six hours into the shift. Overtime will continue to be scheduled on a rotation basis. Vacation sign-ups and vacation requests will continue to be administered according to Recreation and Park Department policy. Travel time between Department locations will continue to be paid.

Safety/Working Environment

The City will continue to conduct safety meetings in accordance with CAL-OSHA requirements. The City will continue to provide on-site lockers as available. Medical services such as first aid at Camp Mather will continue as available.

Tools

The City will replace tools as needed.

**Department of Public Health –
Laguna Honda Hospital**

Work Schedules

Employees will continue to receive one unpaid 30-minute meal period at approximately mid-shift. In addition, two 15-minute breaks will continue to be provided for each full-time shift, one at approximately two hours into the shift and one at approximately six hours into the shift. Overtime will continue to be offered on an approximately

equal basis among all employees covered by the subject MOU. Employees will continue to receive 15-minutes at the start of each shift and 15-minutes at the end of each shift for preparation time and clean-up time.

Safety

The City will continue to conduct safety meetings in accordance with CAL-OSHA requirements.

Comments:

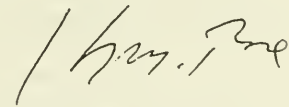
1. As noted above, the intent of the proposed amendment is to enumerate and codify existing and past practices by appending them to the subject MOU. According to Ms. Villagomez, the Carpenters, Local Union No. 22 identified existing and past practices affecting bargaining unit members that were not included in their MOU, and DHR researched and verified such existing and past practices with each of the 10 affected departments. Ms. Villagomez advises that the subject amendment is part of the City's effort to update all of its collective bargaining agreements to identify and include existing and past practices within the already approved MOUs. Ms. Villagomez states that all existing and past practices included in the proposed amendment were in existence at least since July 1, 1996, or one year before the current MOU went into effect on July 1, 1997. Ms. Villagomez advises that Article VI.C. in the subject MOU provides for the proposed subject inclusion of existing and past practices and defines the criteria for selecting existing and past practices.

2. According to Ms. Pamela Levin of the Controller's Office, based on DHR's determination that the items covered by the proposed amendment to an existing MOU are existing and past practices, and therefore already funded in the 10 affected departments' budgets, there would be no additional costs as a result of the proposed MOU amendment. As stated previously, all of the practices outlined in the proposed amendment have been in effect since at least July 1, 1996 and related expenditures, if

any, are funded in the appropriate departmental budgets.

3. According to Ms. Villagomez, four of the 10 affected departments, namely Airport, Convention Facilities, Public Works and Public Library would add only parking and work gear to their list of existing and past practices. Ms. Villagomez reports that the variation in existing and past practices within the same classifications in the other six affected departments, namely Administrative Services, Public Utilities Commission, MUNI, Public Health, Port and Recreation and Park, is because each department has existing and past practices that are appropriate based on the number of employees and the nature of the operation at each of the six affected departments.

Recommendation: Approve the proposed ordinance.



Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick
Clerk of the Board
Controller
Stephen Kawa

City and County of San Francisco



Department of Human Resources

ANDREA R. GOURDINE
HUMAN RESOURCES DIRECTOR

March 6, 2001

TO: Harvey Rose
Budget Analyst, Board of Supervisors

FROM: Alice Villagomez *AV*
Deputy Director, Employee Relations Division

RE: Amendment # 1 to MOU between the City and Carpenters', Local 22
enumerating past practices

This amendment codifies long standing past practices funded by existing departmental budgetary allocations. As such, they do not result in any additional funding.

Twenty-two collective bargaining agreements negotiated for the period of July 1, 1997 through June 30, 2001 call for the identification and enumeration of past practices to be appended to the master agreement.

The following language is the referenced provision identical in all of the affected agreements:

PAST PRACTICE

The parties to this Agreement shall meet for the purpose of enumerating all past practices. The parties shall also meet to identify the current Civil Service Rules that are arbitrable. For the purposes of this section, a "past practice" shall mean either (i) an agreement between the City and the Union that has been in existence for at least one year and that addresses an appropriate subject to include in the collective bargaining agreement, or (ii) a known and well-established course of conduct that has been in existence for at least one year and that addresses an appropriate subject to include in the collective bargaining agreement.

1. Any disputes regarding whether a past practice exists shall be submitted to binding arbitration no later than January 1, 1998, except that this date may be extended for up to an additional three months if requested by either party. The parties shall mutually agree to an arbitrator, pursuant to the provisions of this Agreement. The arbitrator's sole authority shall be to determine whether a past practice exists, as defined in this section. The arbitrator's decision shall be final and binding upon the parties, as provided in Charter Section A8.409.
2. All past practices agreed by the parties to be included in the Agreement shall be appended to the Agreement and approved pursuant to the provisions of Charter Section A8.409, including submission for approval by the Board of Supervisors. All past

practices to be included in the Agreement by award shall be appended to the Agreement, subject to implementation pursuant to Charter Section A8.409. Thereafter, all alleged violations of appended past practices will be subject to the grievance and arbitration procedure of the Agreement.

There shall be no change or modification of any past practice or other understanding between the parties (except for those matters governed by the Civil Service Rules excluded from arbitration) until the parties reach final agreement on the inclusion of past practices into the agreement or until the arbitration award is issued pursuant to the provisions herein whichever is later. Thereafter, the parties agree that all past practices and other understandings between the parties not expressly memorialized and incorporated into this Agreement shall no longer be enforceable.

The City and the unions began the process of the identification, research, verification, confirmation and drafting of submitted lists of practices in August of 1997. Seventeen of the twenty- two unions submitted lists of practices by January 1998. The three month extension provided under the past practices provisions was activated and the period was extended to April 1, 1998.

The process to research, verify and determine which of the practices advanced by the unions met the criteria and definition of the past practices provision was lengthy in so far that each practice had to be verified with all affected City departments and or when a practice only had been identified for one City department such practice was then confirmed and then codified for that one department.

This amendment is similar to previously approved amendments for eight other craft MOUs. Of the various items identified by Local 22, there was one item relating to work day/ work week which was advanced to arbitration by the Carpenters. The Arbitrator ruled in favor of the City's position and as such the practice in dispute is not contained in the list of past practices.

The Employee Relations Division is continuing in finalizing the enumeration for other subject MOUs for which practices were either advanced to arbitration and or required further clarification and revision.

The process has been a very lengthy one since it involved all affected city departments and in some cases specific work sites for each list of practices identified by a union for the numerous subject MOUs.

The enumeration and codification of working condition practices will be formalized as terms and conditions of employment appropriately appended to the respective collective bargaining agreements with the ratification of these amendments.



City and County of San Francisco

Meeting Minutes

Audit, Labor and Government Efficiency
Committee

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, March 13, 2001

1:00 PM

City Hall Room 263

Regular Meeting

Members Present: Gavin Newsom, Chris Daly.

Members Absent: Jake McGoldrick.

Meeting Convened

The meeting convened at 1:04 p.m.

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REGULAR AGENDA

010364 [Gift Acceptance, DPH-San Francisco General Hospital]

Resolution authorizing the Department of Public Health, San Francisco General Hospital, to accept and expend a gift bequeathed to San Francisco General Hospital from the estate of LeMar Hoaglin. (Public Health Department)

2/21/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

3/9/01, CLERICAL CORRECTION. Made correction to name in title only; changed "Lemar" to "LeMar".

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Monique Zmuda, Chief Financial Officer, Department of Public Health; Supervisor Newsom; Supervisor Daly.

RECOMMENDED.. by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

010367 [MOU Amendment No. 1 - Carpenters, Local Union No. 22]

Ordinance implementing Amendment No. 1 to the 1997-2001 Memorandum of Understanding between the Carpenters, Local Union No. 22 and the City and County of San Francisco by appending the following list of past practices pursuant to Article VI.C. of the Memorandum of Understanding. (Human Resources Department)

2/23/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Alice Villagomez, ERD, Human Resources Department.

RECOMMENDED by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

010137 [Family Service Agency]**Supervisor Ammiano**

Hearing to inquire into contract compliance and labor practices of the Family Service Agency TAP Program located at 2730 Bryant Street.

1/22/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

2/27/01, CONTINUED. Continued to March 13, 2001.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

010314 [Settlement of Lawsuit]

Ordinance authorizing settlement of litigation of City and County of San Francisco against Main Street California dba TGI Friday's for \$1,300,000. (City Attorney)

(S.F. Superior Court No. 997-764; eminent domain action commenced on September 10, 1998 entitled "City and County of San Francisco v. WCB More II Ltd. Partnership, et al.)

2/21/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

010353 [Settlement of Lawsuit]

Ordinance authorizing settlement of litigation of San Mateo County Transit District against City and County of San Francisco for \$18,638,562 plus interest. (City Attorney)

(Superior Court No. 405-695; date action filed: July 28, 1998.)

2/21/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

010354 [Settlement of litigation involving the condemnation by SamTrans and BART of the City's water pipeline easement for the BART SFO extension]

Ordinance authorizing settlement of litigation of San Mateo County Transit District against City and County of San Francisco by an exchange of easements and the relocation of the City's water pipeline. (City Attorney)

(San Mateo Superior Court No. 406-647; date action filed: July 28, 1998.)

2/21/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

Report on Closed Session.

Deputy City Attorney Ted Lakey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

ADJOURNMENT

The meeting adjourned at 1:34 p.m.



City and County of San Francisco
Meeting Minutes
Audit, Labor and Government Efficiency
Committee

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, March 27, 2001

1:00 PM

City Hall Room 263

Regular Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

The meeting convened at 1:04 p.m.

010442 [Bank ATM Fees]

Resolution criticizing the United States Comptroller of the Currency's proposed amendment to regulation 12 C.F.R. Section 7.4002(d), which would delete language requiring the Comptroller of the Currency to review National Bank Act preemption of state or local laws limiting national banks' non-interest fees on a case-by-case basis, and urging the Comptroller to withdraw the proposed change. (City Attorney)

3/6/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speaker: Ted Lakey, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

ADJOURNMENT

The meeting adjourned at 1:08 p.m.

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APR - 3 2001

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PUBLIC LIBRARY**

Susan Hom

Main Library-Govt. Doc. Section

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642

FAX (415) 252-0461

DOCUMENTS DEPT.

April 5, 2001

APR - 9 2001

TO: Audit, Labor & Government Efficiency Committee

SAN FRANCISCO
PUBLIC LIBRARY

FROM: Budget Analyst

SUBJECT: April 10, 2001 Audit, Labor & Government Efficiency Committee

Item 1 - File 01-0548

Department: Public Library

Item: Resolution authorizing the San Francisco Public Library to accept and expend a gift of \$31,000 from the Friends and Foundation of the San Francisco Public Library to develop specified collections of books, magazines, audio/video resources and DVDs.

Source of Gift: Friends and Foundation of the San Francisco Public Library

Gift Amount: \$31,000

Description: The proposed resolution would authorize the acceptance of a gift in the amount of \$31,000 from Friends and Foundation of the San Francisco Public Library, which is a non-profit organization dedicated to creating, stewarding and supporting a superior free Public Library system in San Francisco. According to Ms. Sybil Boutilier of the Library, the subject \$31,000 gift would be used to (1) develop a Digital Video Display (DVD) collection for the Chinatown Branch of the Public Library, (2) expand the book, video and audio collections at the James C. Hormel Gay and Lesbian Center at the Main Library, and (3) purchase books to expand the Decorative Arts Collection

(which includes materials on ornate furniture and other interior design arts) located across multiple branches of the Public Library.

Budget: A summary budget for the proposed \$31,000 gift is as follows:

<u>Item</u>	<u>Amount</u>
Development of DVD Collection	\$10,000
Expansion of James C. Hormel Gay & Lesbian Center Collection	20,000
Expansion of Decorative Arts Collection	<u>1,000</u>
Total	\$31,000

Comments:

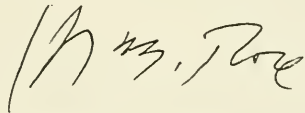
1. Ms. Boutilier states that the Public Library would use the proposed \$10,000 in funds budgeted for the creation of the proposed DVD collection to purchase approximately 1,000 new and used DVDs. According to Ms. Boutilier, the new DVD collection would be available to the public at the Chinatown Branch of the Public Library approximately three months after the proposed gift is approved by the Board of Supervisors.

2. Ms. Boutilier states that the Public Library would use the proposed \$20,000 in funds budgeted for expansion of the James C. Hormel Gay & Lesbian Center Collection to purchase approximately 85 videos, and approximately 250 books and/or audio recordings. According to Ms. Boutilier, the Public Library would use the \$1,000 budgeted for the expansion of the Decorative Arts Collection to purchase a few select items pertaining to the Decorative Arts. Ms. Boutilier states that the proposed expansions to both the James C. Hormel Gay & Lesbian Center and the Decorative Arts Collections would be available to the public approximately six months after the proposed gift is approved by the Board of Supervisors.

3. According to Ms. Boutilier, the terms of the gift require that at least 50 percent, or \$10,000 of the \$20,000 in gifted funds budgeted for the James C. Hormel Gay & Lesbian Center be used for the acquisition of video materials for that Center. Ms. Boutilier states that the Public Library would comply with this requirement.

4. According to Ms. Boutilier, the added maintenance of the proposed new materials would be negligible, such that all new materials purchased with the subject gift monies would be maintained by the existing Public Library staff.

Recommendation: Approve the proposed resolution.

A handwritten signature in black ink, appearing to read "H. M. Rose".

Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick
Clerk of the Board
Controller
Stephen Kawa



City and County of San Francisco
Meeting Minutes
Audit, Labor and Government Efficiency
Committee

San Francisco, CA
94102-4689

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, April 10, 2001	1:00 PM	City Hall Room 263
Regular Meeting		

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

The meeting convened at 1:01 p.m.

REGULAR AGENDA

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- 010548 [Gift Acceptance, Public Library]
Resolution authorizing the San Francisco Public Library to accept and expend a gift of \$31,000 from the Friends and Foundation of the San Francisco Public Library to develop specified collections of books, magazines, video/audio resources and DVD's. (Public Library)
3/28/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.
Heard in Committee. Speakers: Sybil Boutilier, Library; Supervisor McGoldrick.
RECOMMENDED.. by the following vote:
Ayes: 3 - Newsom, Daly, McGoldrick

LITIGATION

Conference with City Attorney

Convene in Closed Session)
Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.
Unanimous vote to convene in closed session by the following vote:
Ayes: 3 - Newsom, Daly, McGoldrick

010474 [Settlement of Claim]

Resolution approving the settlement of the unlitigated claim filed by Kathleen Kuda against San Francisco for \$87,500; claim was filed on November 3, 2000; additional material term of said settlement is the signing of a release of CF liability against the City and County of San Francisco. (City Attorney)

(Claim Number 01-01214.)

3/20/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010514 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Sarona Collins and James Dannenberg against the City and County of San Francisco for \$125,000; the lawsuit was filed on January 26, 2000 in Superior Court, Case No. 309-463; entitled Sarona Collins and James Dannenberg, et al., v. City and County of San Francisco, et al.; the City agrees that it will attempt to expedite the payment of this settlement. (City Attorney)

3/22/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

3/23/01, SUBSTITUTED. City Attorney submitted a substitute ordinance to correct title, line 6, the word "Danneberg" to read "Dannenberg".

3/23/01, ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

Report on Closed Session.

Deputy City Attorney Ted Lakey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

ADJOURNMENT

The meeting adjourned at 1:23 p.m.

APR 23 2001

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

April 19, 2001

TO: Audit, Labor & Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: April 24, 2001 Audit, Labor & Government Efficiency Committee Meeting

Items 1, 2, 3, 4, 5, and 6 – Files 01-0556, 01-0557, 01-0558, 01-0559, 01-0560, and 01-0562

Department: Human Resources Department (HRD)

Item: Item 1, File 01-0556

Ordinance implementing Amendment No. 2 to the FY1997-1998 through FY2000-2001 Memorandum of Understanding between the Carpenters, Local 22, and the City and County of San Francisco by adding a new section to Article III.E. Additional Compensation, which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities.

Item 2, File 01-0557

Ordinance implementing Amendment No. 2 to the FY1997-1998 through FY2000-2001 Memorandum of Understanding between the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local No. 38, and the City and County of San Francisco by adding a new section to Article III.E. Additional Compensation, which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities.

Item 3, File 01-0558

Ordinance implementing Amendment No. 5 to the FY1997-1998 through FY2000-2001 Memorandum of Understanding between the Laborers International Union, Local 261, and the City and County of San Francisco by adding a new section to Article III.E. Additional Compensation, which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities.

Item 4, File 01-0559

Ordinance implementing Amendment No. 2 to the FY1998-1999 through FY2000-2001 Memorandum of Understanding between the International Union of Operating Engineers and Stationary Engineers, Local 39, and the City and County of San Francisco by adding a new section to Article III.C. Special Pay Provisions, which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities.

Item 5, File 01-0560

Ordinance implementing Amendment No. 1 to the FY1997-1998 through FY2000-2001 Memorandum of Understanding between the Painters Union District Council #8 for Local 4, and the City and County of San Francisco by adding a new section to Article III.E. Additional Compensation, which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities.

Item 6, File 01-0562

Ordinance implementing Amendment No. 4 to the FY1997-1998 through FY2000-2001 Memorandum of Understanding between the International Brotherhood of Electrical Workers, Local 6, and the City and County of San Francisco by adding a new section to Article III.E. Additional Compensation, which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities.

Description:

The six proposed ordinances would amend existing Memoranda of Understanding (MOU) between the subject unions and the City and County of San Francisco,

BOARD OF SUPERVISORS

BUDGET ANALYST

implementing provisions of the California Welfare and Institutions Code Section 14110.6. Under the California Welfare and Institutions Code Section 14110.6, the State provides funds to the Counties to compensate health care and other employees who are assigned to skilled nursing facilities. These funds would pay a premium, the Skilled Nursing Facility Pass-Through premium, to eligible employees, working at a skilled nursing facility, such as Laguna Honda Hospital, between August 1, 2000, and July 31, 2001.

The proposed ordinances would approve amendments to six MOUs, covering 7 crafts classifications and 15 employees who are assigned to Laguna Honda Hospital, as follows:

<u>Classifications</u>	<u>Position</u>	<u>No. of Employees</u>
3417	Gardener	2
7334	Stationary Engineer	2
7344	Carpenter	2
7345	Electrician	3
7346	Painter	2
7347	Plumber	1
7524	Institution Utility Worker	3
Total		15

The proposed amendments to the subject MOUs would provide a pay premium of an estimated \$2,647 per employee for represented classifications who are assigned to Laguna Honda Hospital (LHH).

These premiums are a portion of the Medi-Cal reimbursement to the Counties for providing services in skilled nursing facilities. In FY 2000-2001, the State increased the Medi-Cal daily reimbursement rates to the Counties and directed that this increased daily rate be "passed through" to direct patient care providers at skilled nursing facilities (see Comment No. 2 for further discussion of Medi-Cal reimbursement rates). The State made these additional funds available to craft classifications, as well as to nursing and health care classifications, assigned to skilled nursing facilities.

BOARD OF SUPERVISORS
BUDGET ANALYST

In addition to the six MOUs, which are the subject of this report, an additional 1,150 nursing and health care employees, covered by separate MOUs with Service Employees International Union (SEIU), Locals 250 and 790, are eligible to receive the subject premium, as noted in Comment 1. According to Ms. Mary Hao of DHR, ordinances approving amendments to MOUs with SEIU, Locals 250 and 790, providing this pay premium to eligible employees assigned to skilled nursing facilities will be presented to the Board of Supervisors at a future date.

Under the proposed amendments in the six subject MOUs, the total aggregate cost of such premiums and related expenses cannot exceed the amount of eligible State pass-through funding for such compensation and related costs, or up to \$4,000,000 for FY 2000-2001. This total amount of up to \$4,000,000 would provide premium payments to the 15 employees in the 7 crafts classifications covered by the subject MOUs in this report, and to the additional 1,150 nursing and health care employees, covered by separate MOUs with SEIU, Locals 250 and 790.

The additional premiums would be paid to the qualifying represented classifications assigned to skilled nursing facilities for the pay period closest to but not earlier than August 1, 2000 through July 31, 2001.

Comments:

1. Ms. Hao states that in addition to the 7 classifications noted above, 5 additional classifications, representing approximately 1,150 employees, qualify for the Skilled Nursing Facility Pass-Through premium. These 5 classifications (Class 2302 Certified Nursing Assistant, Class 2303 Mental Health Rehabilitation Worker, Class 2305 Psychiatric Technician, Class 2312 Licensed Vocational Nurse, and Class 2320 Registered Nurse), are represented by SEIU, Locals 250 and 790, and are assigned to Laguna Honda Hospital (LHH), San Francisco General Hospital (SFGH) Unit 4A, and the Mental Health Rehabilitation Facility (MHRF).

3. According to Ms. Hao, the Skilled Nursing Facility Pass-Through funds represent a portion of Medi-Cal reimbursements paid by the State to the County, based on the amount of Medi-Cal reimbursement for services provided at LHH, SFGH Unit 4A, and MHRF, retroactive from August 1, 2000 through July 31, 2001. The actual amount to be paid to the County by the State for the specified time period has not yet been determined, but Ms. Hao estimates the amount would be approximately \$3,100,000. As noted above, the proposed amendments would authorize expenditures of such funds of up to \$4,000,000. However, payments would be limited to the amount actually received from the State, according to Ms. Hao.

4. Ms. Hao states that the actual premium amount that each of the covered employees will receive is based on: (a) the total amount of Medi-Cal reimbursement to each of the 3 facilities, LHH, SFGH 4A, and MHRF, designated for the Skilled Nursing Facility Pass-Through Premium; and, (b) the number of covered employees assigned to each facility. In FY 1999-2000, the premium ranged for the fiscal year from \$451.85 for covered employees assigned to MHRF, \$899.07 for covered employees assigned to SFGH Unit 4A, and \$1,526.70 for covered employees assigned to LHH. According to Ms. Hao, in FY 2000-2001, the estimated premium will be \$3,644 for covered employees assigned to MHRF, \$2,065 for covered employees assigned to SFGH Unit 4A, and \$2,647 for covered employees assigned to LHH. As stated previously, such premiums will be paid to employees assigned to these 3 facilities for the period between August 1, 2000 through July 31, 2001. Ms. Hao advises that these funds will most likely be paid to eligible employees retroactively, after the City receives its annual Medi-Cal reimbursement from the State, in approximately the Fall of 2001.

5. Ms. Peg Stevenson of the Controller's Office advises that the Controller's Office has not prepared a cost estimate of the subject MOU amendments because all of the increased costs would be funded by, and limited to, the available increases in State funding. As noted above, the total estimated cost of the proposed ordinances, including the six subject ordinances and the additional

BOARD OF SUPERVISORS
BUDGET ANALYST

ordinances to be submitted to the Board of Supervisors at a later date, would be up to \$4,000,000 for FY 2000-2001. These premium payments up to \$4,000,000 would all come from State funds, pursuant to the provisions of the State Welfare and Institutions Code Section 14110.6. Ms. Hao states that approval of the proposed ordinances would not result in any increased costs to the City.

6. The proposed amendments to the existing MOUs addressing certain represented classes working at Skilled Nursing Facilities, which expire on June 30, 2001, are also included in the new MOUs with these 6 bargaining units, effective July 1, 2001 through June 30, 2003 (Files 01-0568, 01-0575, 01-0577, 01-0580, and 01-0583).¹

Recommendation:

The Budget Analyst recommends approval of the six proposed ordinances, since the subject MOU amendments, authorizing the City to obtain State funding, would not result in any additional costs to the City.

¹ The proposed new MOU between the City and County of San Francisco and the International Brotherhood of Electrical Workers, Local 6, for the period from July 1, 2001 through June 30, 2003, (File 01-0570) has not yet been ratified and therefore, is not included in the Budget Analyst's report.

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Items 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 and 24 - Files 01-0565 through 01-0569, 01-0571, 01-0572, 01-0574 through 01-0582, 01-0585 and 01-0586

Department: Department of Human Resources (DHR)

Items: Item 7, File 01-0565
Ordinance adopting and implementing the Memorandum of Understanding between the Bricklayers, Stone Masons, Terrazo Mechanics, Marble Masons, Pointers, Caulkers and Cleaners, Local 3, and Hodcarriers, Local 36, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 8, File 01-0566
Ordinance adopting and implementing the Memorandum of Understanding between the Building Inspectors' Association and the City and County of San Francisco (for Class 6331, Building Inspector and Class 6333, Senior Building Inspector), to be effective for the period July 1, 2001 through June 30, 2003.

Item 9, File 01-0567
Ordinance adopting and implementing the Memorandum of Understanding between the Building Inspectors' Association and the City and County of San Francisco (for Class 6334, Chief Building Inspector), to be effective for the period July 1, 2001 through June 30, 2003.

Item 10, File 01-0568
Ordinance adopting and implementing the Memorandum of Understanding between the Carpenters, Local 22, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 11, File 01-0569
Ordinance adopting and implementing the Memorandum of Understanding between the Cement Masons, Local 580, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

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Item 12, File 01-0571

Ordinance adopting and implementing the Memorandum of Understanding between the Glaziers, Architectural Metal and Glass Workers, Local 718, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 13, File 01-0572

Ordinance adopting and implementing the Memorandum of Understanding between the International Alliance of Theatrical Stage Employees, Local 16, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 14, File 01-0574

Ordinance adopting and implementing the Memorandum of Understanding between the International Association of Bridge, Structural Ornamental, Reinforced Iron Workers, Riggers and Machinery Movers, Local 377, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 15, File 01-0575

Ordinance adopting and implementing the Memorandum of Understanding between the Laborers International Union, Local 261, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 16, File 01-0576

Ordinance adopting and implementing the Memorandum of Understanding between the Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 17, File 01-0577

Ordinance adopting and implementing the Memorandum of Understanding between the Painters Union District Council #8 for Local 4, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 18, File 01-0578

Ordinance adopting and implementing the Memorandum of Understanding between the Pile Drivers, Divers, Carpenters, Bridge, Wharf and Dock Builders, Local 34, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 19, File 01-0579

Ordinance adopting and implementing the Memorandum of Understanding between the Plasterers' and Shophands', Local 66, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 20, File 01-0580

Ordinance adopting and implementing the Memorandum of Understanding between the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local #38, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 21, File 01-0581

Ordinance adopting and implementing the Memorandum of Understanding between the United Union of Roofers, Waterproofers, and Allied Workers, Local 40, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 22, File 01-0582

Ordinance adopting and implementing the Memorandum of Understanding between the Sheet Metal Workers International Union, Local 104, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 23, File 01-0585

Ordinance adopting and implementing the Memorandum of Understanding between the Sanitary Truck Drivers and Helpers, Teamsters, Local 350, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 24, File 01-0586

Ordinance adopting and implementing the Memorandum of Understanding between the Teamsters, Local 853, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Description:

The 18 proposed Memoranda of Understanding (MOU) between the subject unions noted above and the City and County of San Francisco are the successor agreements to the existing MOUs which expire on June 30, 2001. The 18 proposed two-year MOUs, which are effective from July 1, 2001 through June 30, 2003, cover 120 classifications, comprising a total of 2,537 employees. Attachment I provides a list of covered classifications and number of employees by bargaining unit.

**Major Economic
Provisions:**

The major economic changes of the new subject MOUs from the current MOUs include the following:

Wage Increases

Files 01-0565 through 01-0569, 01-0571 through 01-0576, 01-0578 through 01-0582, 01-0585 through 01-0586

The proposed MOUs would provide wage increases, totaling 10% over the two-year period to all covered employees as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
July 7, 2002	2.5%
January 3, 2003	2.5%
Total	10.0%

File 01-0577

According to Ms. Alice Villagomez of DHR, the MOU between the Painters Union District Council #8 for Local 4 and the City and County of San Francisco contains a one percent lower wage increase in the first year of the agreement, in exchange for maintaining existing work schedule and overtime provisions. Overall, these employees would receive a total of a 9 percent wage increase over the two-year period of the MOU.

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	2.0%
January 5, 2002	2.0%
July 7, 2002	2.5%
January 3, 2003	2.5%
Total	9.0%

Internal Wage Adjustments

Seven of the 18 proposed MOUs contain one-time internal wage adjustments for specific classifications (Files 01-0568, 01-0571, 01-0574, 01-0575, 01-0580, and 01-0581). These adjustments are based on one or more of the following criteria: retention problems, recruitment problems, expanded scope of responsibility, internal relationships or market data for the specific classifications. Attachment II contains a list of these one-time internal wage adjustments and the reasons for the adjustments.

Salary Step Adjustments for Promotions

Six of the MOUs contain provisions guaranteeing that the covered employee who receives a promotion, will be placed in a salary step in the promotional position, that guarantees a pay increase of 10 percent. Previously, a covered employee receiving a promotion was placed in a salary step guaranteeing a 7.5 percent wage increase (Files 01-0565, 01-0569, 01-0571, 01-0575, 01-0579, 01-0581).

Three of the subject MOUs contain new language, setting the promotional rate at 7.5 percent above the salary step from which the covered employee is being promoted (Files 01-0174, 01-0577, 01-0578). Currently, these MOUs do not provide any promotional rates.

Ms. Villagomez states that these new salary step provisions would also provide salary step adjustments to provisional employees.

Acting Assignment Pay

Provisions regarding acting assignment pay in the subject MOUs have been modified, reducing the number of days to qualify for acting assignment pay and creating parity across the bargaining units. Under the proposed language, acting assignment pay would begin on the 11th day of the assignment, rather than on the 21st day of the

assignment¹, and the increased pay would be retroactive to the first day of the assignment. According to Ms. Villagomez, the proposed acting assignment pay provisions are consistent with acting assignment pay provisions currently included in the SEIU Locals 250, 535, and 790, and the IFPTE Local 21 MOUS with the City and County of San Francisco (Files 01-0565 through 01-0569, 01-0571 through 01-0582, and 01-0585 through 01-0586).

Lead Worker Pay

In 14 of the proposed MOUs, lead worker pay would be increased from \$5 per day to \$9 per day in the first year of the MOU and to \$10 per day in the second year of the MOU. According to Ms. Villagomez, the lead worker pay rate of \$5 per day has not increased since 1986². (Files 01-0565, 01-568, 01-0569, 01-0571, 01-0572, 01-0574 through 01-0582, 01-0585, and 01-0586).

Shift Differential

In several of the existing MOUs, the shift differential for hours worked outside of day shift ranged from 5 to 8 percent of base pay for all hours worked from 5 p.m. to 7 a.m. In the proposed MOUs, replacing these existing MOUs, the shift differential has increased to 8.5 percent of base pay for work performed between 5 p.m. and midnight and to 10 percent of base pay for work performed between midnight and 7 a.m. (Files 01-0565 through 01-0569, 01-571 through 01-0575, 01-0578 through 01-0582 and 01-0585³).

¹ In Files 01-0566 and 01-0567 the proposed provision regarding acting assignment pay includes new language consistent with the other proposed MOUs, but the initial day to qualify for acting assignment pay (11th day) remains unchanged. In File 01-0585, the proposed provision regarding acting assignment pay includes new language consistent with the other proposed MOUs, but the initial day to qualify for acting assignment pay is reduced from the 15th day to the 11th day.

² In Files 01-0565, 01-0572, 01-0578 and 01-0579, lead worker pay of \$9 per day the first year and \$10 the second year is a new provision, since these covered employees do not currently receive any lead worker pay.

³ In Files 01-0565, 01-0569, 01-0574, 01-0578, 01-0581, and 01-0582, the shift differential provision is a new provision. In File 01-0571, the shift differential increases from a flat rate of \$1.15 per hour to the percentage increase provided in the MOUs. In Files 01-0576 and 01-

Standby Pay

The proposed MOU with the Building Inspector's Association (Class 6334, Chief Building Inspector, File 01-0567) contains new language, setting standby pay at \$20 per day. Current provisions provide for 25 percent of the regular rate of pay for the period of such standby service, except when outfitted with an electronic paging device. Then, the rate is ten percent for the period on standby service.

Correctional Facility Pay

In the proposed MOUs between the City and County of San Francisco, and Carpenters, Local 22, and the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local 38, covered employees assigned to secured and restricted areas in correctional facilities would receive a premium of \$1.50 per hour (Files 01-0568 and 01-0580). Currently, there are no premiums for assignment in secured and restricted areas in correctional facilities.

Travel Expenses

Several of the proposed MOUs contain revised language, codifying the existing practice of paying travel expenses ranging from \$2.30 to \$7.00 per day for assignment to remote locations (Files 01-0568, and 01-0570).

Floating Holidays

In the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local 38, the number of floating holidays is increased from 3 to 5 annually (File 01-0580). In several MOUs, the floating holiday language has been revised to provide for 5 floating holidays annually, rather than the existing language providing for 3 floating holidays and 2 furlough days. In these MOUs, the total number of paid days off remains 5, and according to the Ms.

0586, the existing language provided a shift differential of 10 percent of base pay for all hours worked between 5 p.m. and 7 a.m.

Villagomez, this would not result in any additional costs to the City (Files 01-0565, 01-0574, 01-0576, 01-0578, 01-0581, and 01-0582).

Overtime Compensation

16 of the 18 proposed MOUs contain new language, to exclude the use of any sick leave hours taken off in determining the number of hours worked in excess of forty (40) hours in a week to determine eligibility for weekly overtime (Files 01-0565 through 01-0569, 01-0571 through 01-0576, and 01-0578 through 01-0582).⁴ As noted above, the Painters Union District Council #8 for Local 4 provides for a one percent lower wage increase during the first year of the proposed MOU in exchange for not including the new language to exclude the use of sick leave from the determination of weekly overtime (File 01-0577).

According to Ms. Villagomez, this new overtime compensation provision is part of the City's policy to limit the use of unplanned sick leave, which should result in some overtime savings for the City. Ms. Villagomez advises that this provision will provide incentives for employees to reduce the amount of sick leave used (see "pilot wellness incentive program" below).

Medical Benefits

In the proposed MOUs, the amount of dependent health care coverage paid by the City would increase. Currently, the City pays \$225 per month for dependent health care coverage. Under the proposed MOUs, the City's contribution would increase from a flat rate of \$225 per month to a formula equal to 75 percent of the cost of the Kaiser Health Plan rate for two or more dependents. In FY 2001-2002, 75 percent of the Kaiser Health Plan rate for two or more dependents would equal \$279 per month, which is an increase in the amount that the City pays for dependent health care coverage of \$54 per month (\$279 less \$225). According to Ms.

⁴ The MOU with the Teamsters, Local 350, contains existing language excluding sick leave from the determination of weekly overtime (File 01-0585).

Villagomez, the proposed medical benefit changes are consistent with provisions in the existing MOUs with SEIU, Locals 250, 535, and 790, IFPTE, Local 21, Fire Fighters Union, Local 798, and the Management Employees Association. (Files 01-0565 through 01-0569, 01-0571 through 0582, and 01-0586). The City's dependent health care contribution in the MOU with Teamsters, Local 350, remains unchanged at \$225 per month (File 01-0585).

All of the proposed MOUs, except two, contain new language stating that the City shall contribute all of the premium for the employee's own health care benefit coverage for employees who do not receive dependent health care benefits (Files 01-0565 through 01-0569, and 01-0571 through 0582).⁵ The proposed MOU with Teamsters, Local 350 does not contain this new language (File 01-0585). Instead, according to Ms. Villagomez, the provisions for Local 350 allow for a monthly health care cash back option of \$210 for discretionary health care expenses for the two covered employees in this bargaining unit.

Additionally, the proposed MOUs contain new language, specifying that the employee is responsible to pay the total monthly health care premium if not in active service for more than 12 weeks and not on sick leave or approved disability status (Files 01-0565 through 01-0569, 01-0571 through 0582, and 01-0586).

Long Term Disability Insurance

Eight of the proposed MOUs include new language providing long term disability benefits at the City's expense, equal to 60 percent of base salary for covered members who are on disability leave for more than 180 days. (Files 01-0566, 01-0567, 01-568, 01-0571, 01-0574, 01-0577, 01582, and 01-0586).

⁵ The proposed language regarding the City's contribution for employees not receiving dependent health benefit coverage is contained in the existing MOU with Teamsters, Local 853 (File 01-0586).

State Disability Insurance

Several of the proposed MOUs include revised language, requiring that all covered members be enrolled in the State Disability Insurance (SDI) program. Under this language, the employee would pay the full cost of SDI through payroll deduction. Ms. Villagomez advises that his revision codifies current practice and therefore should not result in additional costs (Files 01-0566, 01-0567, 01-0571, 01-0576, 01-0577, 01-0578, 01-0580, 01-0581, 01-0582, and 01-0585).

Retirement Benefits

Several of the proposed MOUs contain new language requiring the City to cover the full cost of the covered employee's retirement contribution to the San Francisco Employee Retirement System (SFERS) or the State Public Employee Retirement System (PERS). According to Ms. Villagomez, the proposed language codifies existing practices and thus does not result in new costs to the City (Files 01-0565 through 01-0569, 01-0571, 01-0572, 01-0574 through 01-0582, and 01-0585 through 01-0586).

Release Time for Retirement Seminar

All the proposed MOUs contain language, providing one day of paid time off during the term of the subject MOU to attend a pre-retirement planning seminar, sponsored by SFERS or PERS (Files 01-0565 through 01-0569, 01-0571 through 01-0582, and 01-0585 through 01-0586).

Volunteer Parent Release Time

All the proposed MOUs contain language, granting covered employees 4 hours of paid time off each fiscal year to attend parent teacher conferences. In addition, covered employees may receive up to 40 hours per fiscal year of unpaid time for school activities.

Employee Training and Tuition Reimbursement Program

In the proposed MOU with the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local #38, the City would contribute \$3,000 annually, or a total of \$6,000 over the two-year MOU period to a tuition reimbursement fund (File 01-0580).

Pilot Wellness Incentive Program

All the proposed MOUs contain language establishing a pilot wellness program as an incentive to decrease the use of sick leave. Under the pilot wellness program, the employee would be able to receive a cash payment upon retirement for unused sick leave, based upon the employee's salary rate and years of service. The program enables covered employees to receive 2.5% of accrued sick leave credits times the number of whole years of continuous years of service times the employee's salary rate upon retirement (Files 01-0565 through 01-0569, 01-0571 through 01-0582, and 01-0585 through 01-0586).

As noted above, Ms. Villagomez states that the pilot wellness incentive program and the proposed language to exclude sick leave from determining eligibility for overtime, are part of the City's effort to decrease the use of unscheduled sick leave and to provide incentives to reduce the amount of sick leave use (See Comment No. 4).

Municipal Transportation Agency Incentive Program

Several of the subject MOUs contain language regarding the Municipal Transportation Agency (MTA) Incentive and Attendance Programs. Under these provisions, covered employees working in "service-critical" areas of the MTA would be eligible to participate in the incentive and attendance programs. Under the incentive program, eligible employees would receive bonuses ranging from \$30 to \$150 each quarter, based on established performance goals. Under the attendance program, eligible employees in operations who have not used

more than 40 hours of sick leave in the calendar year may receive 2 to 3 days of paid time off. Eligible employees in maintenance who have not used more than 40 hours of sick leave in the calendar year may cash out up to 20 to 40 hours of unused sick leave (Files 01-0568, 01-0571, 01-0575, 01-0576, 01-0577, 01-0582 and 01-0586).

Skilled Nursing Facility Pass-through Premium

Pursuant to California Health and Welfare Code Section 14110.6, the State provides funds to the County to pay a wage premium to certain classifications assigned to skilled nursing facilities, such as Laguna Honda. The proposed MOU contains a provision, specifying that in no case will the total amount of the premium for all unions exceed the amount provided by the State and will continue only as long as the State provides the funds. According to Ms. Villagomez, the skilled nursing facility premium would be paid by State funds and would not result in increased costs to the City (Files 01-0568, 01-0575, 01-0577, and 01-0580).

Miscellaneous Premium Pay

Attachment III provides a list of other new or increased premium payments contained in the subject MOUs.

Major Non-Economic Provisions:

The major non-economic changes in the proposed MOUs as compared with the current MOUs are as follows:

Grievance Procedure

Several of the proposed MOUs contain new, revised, or expanded language, defining the types of issues subject to the grievance procedure, and the grievance procedure steps and timelines (File 01-0565, 01-0569, 01-0575, 01-0577, 01-0581, and 01-0582).

Probationary Period

Several of the proposed MOUs contain language, codifying the existing practice requiring a 6-month or one year probationary period for new employees (File 01-0565-010567, 01-0571, 01-0575, 01-0577, 01-0581, and 01-0583).

Personnel Files

Several of the proposed MOUs have modified existing language allowing covered employees to request that personnel file documents regarding disciplinary actions more than two years old be sealed. Under the proposed MOUs, the modified language would exclude sealing of disciplinary documents under specific conditions. If the discipline resulted from misappropriation of funds, misuse or destruction of public property; misconduct stemming from drug or alcohol abuse, serious mistreatment of other individuals, felony or misdemeanor convictions involving moral turpitude, and public health or safety risks files may not be sealed. According to Ms. Alice Villagomez, the new language codifies existing practice and creates uniformity among the MOUs (Files 01-0566-01-0568, and 01-0577).

Apprenticeship Program

Several MOUs contain revised language, providing for "the City and the Union to meet to discuss the development of an apprenticeship program for covered classifications." According to Ms. Alice Villagomez, the proposed language would continue on-going discussions between the City and the affected Unions regarding development and implementation of apprenticeship programs (Files 01-0564, 01-0565, 01-0568, 01-0569, 01-0574, 01-0576-01-0582).

Anti-Nepotism Policy (MTA "service-critical" employees)

Several MOUs contain new language, prohibiting employees assigned to MTA and designated to be "service-critical" from applying for positions requiring them to report to or to supervise family members or domestic partners (Files 01-0568, 01-

0571, 01-0575, 01-0576, 01-0577, 01-0582 and 01-0586).

Safety Equipment

Several of the proposed MOUs contain new language, requiring the City to provide safety or protective equipment, in compliance with California Occupational Safety and Health Administration (Cal-OSHA) (Files 01-0564, 01-0565, 01-0568, 01-0569, 01-0570, 01-0571).

Work Schedules

Several of the proposed MOUs contain modified language, defining the workweek, providing new alternative workweek schedules, and specifying bidding procedures on work schedules (Files 01-0569, 01-0571, 01-0575, 01-0582, 01-0583, 01-0586). Ms. Villagomez advises that these changes in work schedules will not generate any additional costs for the City.

Supervisory Differential Adjustments

Several MOUs modify or clarify existing language, regarding (a) the circumstances under which a covered employee could receive supervisory differential pay, and (b) the appropriate salary step to place the individual qualifying for supervisory differential pay. Ms. Villagomez states that this language clarifies an existing practice and does not result in increased costs to the City (File 01-0566, 01-0567, 01-0568, 01-0570).

Past Practices

The subject MOUs contain new language, stating that all past practices and understandings not specifically contained within the MOU would no longer be enforceable (Files 01-0565 through 01-0569, 01-0571 through 01-0582, and 01-0585 through 01-0586).

Comments:

1. According to Ms. Villagomez, although these MOUs would provide significant wage and benefit increases for City employees, the proposed MOUs would also achieve the following four City objectives:

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- The City has attempted to address employee attendance issues by (a) excluding sick leave time taken off in being eligible to receive overtime pay and (b) implementing the Pilot Wellness Incentive Program.
- The City has codified existing past practices into the proposed MOUs and added language, stating that all past practices and understandings not specifically contained within the MOU would no longer be enforceable.
- The City has included language into the MOUs to streamline the grievance procedure, creating uniformity in the MOUs in the grievance steps and timelines.
- The City has included more consistency in these agreements in order to provide more equitable benefits for City employees and for DHR to realize greater efficiencies in managing these contracts.

2. Ms. Villagomez advises that over the years, DHR has attempted to negotiate comparable provisions in the various MOUs, such as new language to exclude sick leave time take off in determining eligibility for overtime pay for employees who work more than 40 hours per week.

The Budget Analyst therefore questions why the proposed MOUs provide special and unique provisions for particular employee represented groups that are distinct from the comparable provisions included for all the other employee groups in the City. For example, one of the proposed MOUs (File 01-0577) provides that the Painters Union would receive a two-year wage increase of 9.0 percent, which is 1.0 percent less than the 10.0 percent two-year wage increase provided in the other MOUs that are currently being considered by the Board of Supervisors. However, in exchange for granting the 1.0 percent reduction in wage increases to the Painters, this employee group would be permitted to be excluded from the otherwise, across-the-board restriction of

not including sick leave time taken off for determining their eligibility to work overtime and then receive overtime pay.

3. The Budget Analyst also questions the inclusion of the proposed Plasterers' and Shophands', Local 66 MOU (File 01-0579), because as noted in Attachment I, there are currently no employees in any of the classifications that are represented by this labor organization. Ms. Villagomez acknowledges that there are currently no City or County of San Francisco employees represented by this MOU. However, Ms. Villagomez responds that there may be a need in the future for such classifications. The Budget Analyst recommends that this MOU be disapproved, since there are no employees currently in this bargaining unit.

4. According to Ms. Villagomez, the Pilot Wellness Incentive Program is a new provision included in the proposed agreements between the City and the bargaining units to provide an incentive to decrease City employee's use of sick leave. Under the proposed Pilot Wellness Incentive Program, employees would be able to receive a cash payment upon retirement for unused sick leave, based on the employee's salary rate and the number of years of service. However, the Budget Analyst notes that in November of 1978, the voters of San Francisco approved a Charter Amendment, which became Charter Section 8.363, which stated that after 1978, employees hired by the City would not be entitled to receive cash payments or compensation of any type for accumulated unused sick leave.

On November 7, 1995, the voters of San Francisco approved a new Charter for the City and County of San Francisco. The current Charter does not contain this earlier voter-approved Charter Amendment prohibiting any compensation for unused sick leave. The Budget Analyst notes that a review of the Voter Information Pamphlet from the November 7, 1995 election does not mention that this provision would be eliminated from the new Charter, and in fact, states under the Section on

Employee Retirement and Health Service System, that the "proposed revision would make no significant changes in these areas". The Budget Analyst questions whether the voters would have approved such a provision in the new Charter to eliminate the preclusion of lump sum unused sick leave payments to employees upon retirement, if the voters had been advised of such facts. That Charter Amendment previously approved by the voters had resulted in significant cost savings to the City.

Mr. John Holtzman of the Mayor's Office advises that the intention of the new Charter was to give responsibility for this sick leave provision to the Civil Service Commission. According to Mr. Phil Ginsburg of the City Attorney's Office, Civil Service Commission Rule 120 provides that no reimbursement for any unused sick leave after 1978 is permitted, except as determined by collective bargaining, and that the subject MOUs are the result of such collective bargaining, and are therefore permitted. Furthermore, Mr. Ginsburg advises that in 1999, the City approved such cash provisions for unused sick leave in the Police and Fire MOUs and the Municipal Transportation Agency employees received similar provisions in 2000.

5. As shown in Attachment IV, provided by the Controller's Office, the two proposed MOUs for the Building Inspectors and Chief Building Inspectors (Files 01-0566 and 01-0567) are estimated to cost the City \$345,363 in FY 2001-2002 and an additional \$718,843 in FY 2002-2003, for a two-year cumulative cost impact of \$1,064,306.

As shown in Attachment V, provided by the Controller's Office, the other 16 proposed MOUs discussed in the above report are estimated to cost the City \$7,547,696 in FY 2001-2002 and an additional \$14,792,438 in FY 2002-2003, for a two year cumulative total cost of \$22,340,134.

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However, as noted by the Controller's Office, these estimates do not include the additional four hours of parental leave and up to eight hours of time off for employees to attend retirement planning seminars. There may also be some overtime savings to offset some of these costs in the future, from the proposed provision to exclude sick leave time from the determination of eligibility for overtime pay.

Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for FY 2001-2002 would primarily be the Special or Enterprise Funds that are estimated to fund approximately 85 percent of these covered employees. The remaining approximately 15 percent of these employees wages and benefits would be funded with the City's General Fund Salary and Benefits Reserve Fund included in the proposed FY 2001-2002 budget.

6. The estimated costs of all the subject MOUs being considered by the Board of Supervisors, at this time, for FY 2001-2002 is \$11,710,098. The estimated costs of these MOUs for FY 2002-2003 is \$20,993,555 and the total cumulative two-year costs of these MOUs is \$32,703,653, as shown below:

	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
Skilled Nursing	0	0	0 ¹
Building Inspection	\$345,463	\$718,843	\$1,064,306
Crafts	7,547,696	14,792,438	22,340,134
Unrepresented	748,304	Not Part of This MOU	748,304 ²
Institutional Police	87,780	154,297	242,077
Stationary Engineers	2,900,698	5,161,267	8,061,965
Supervising Probation Officers	<u>80,157</u>	<u>166,710</u>	<u>246,867</u>
Total	\$11,710,098	\$20,993,555	\$32,703,653

¹ To be fully funded with State MediCal reimbursements.

² Unrepresented employees MOU would be effective July 1, 2001 through June 30, 2002, for only one year.

7. Despite the explanation provided above by Mr. Holtzman and Mr. Ginsburg, the Budget Analyst questions whether the San Francisco voters in 1995 would have approved an undisclosed provision in the new Charter to eliminate the prohibition of lump sum payments for unused sick leave to employees upon retirement, especially given that voters had previously approved this prohibition in a prior Charter Amendment.

Recommendations:

1. Disapprove the proposed ordinance (File 01-0579) since there are no City employees currently represented by the Plasters' and Shophands, Local 66, in accordance with Comment No. 3 above.
2. Approval of the other proposed ordinances, as amended, are policy matters for the Board of Supervisors.

Union		Class	Job Class Title	Class	Union
				Budget FTE Total	
003	Oper. Eng.	7110	MOBILE EQUIPMENT ASSISTANT SUPERVISOR...	5	
003	Oper. Eng.	7210	MOBILE EQUIPMENT SUPERVISOR.....	5	
003	Oper. Eng.	7221	ASPHALT PLANT SUPERVISOR I.....	1	
003	Oper. Eng.	7328	OPERATING ENGINEER, UNIVERSAL.....	42.5	
003	Oper. Eng.	7370	RIGGER.....	1	
003	Oper. Eng.	7424	DRYER-MIXER OPERATOR.....	1	
003	Oper. Eng.	9331	PILEDRIIVER ENGINE OPERATOR.....	2	
003	Oper. Eng.	9360	CONSTRUCTION AND MAINT SUPV II, PORT...	1	58.5
004	Painters	7242	PAINTER SUPERVISOR I.....	12	
004	Painters	7278	PAINTER SUPERVISOR II.....	2	
004	Painters	7346	PAINTER.....	102.75	116.75
007	Bricklayers	7307	BRICKLAYER.....	5	
007	Bricklayers	7378	TILE SETTER.....	3	8
016	IATSE	7377	STAGE ELECTRICIAN.....	3	3
034	Pile Drivers	9330	PILE WORKER.....	12	
034	Pile Drivers	9332	PILEDRIIVER SUPERVISOR I.....	3	15
036	Hod Carriers	7428	HODCARRIER.....	8	8
038	Plumbers	1466	METER READER.....	12	
038	Plumbers	6242	PLUMBING INSPECTOR.....	16.5	
038	Plumbers	6244	CHIEF PLUMBING INSPECTOR.....	1	
038	Plumbers	6246	SENIOR PLUMBING INSPECTOR.....	2	
038	Plumbers	7134	WATER CONSTRUCTION AND MAINT SUPT.....	2	
038	Plumbers	7136	WATER SHOPS AND EQUIPMENT SUPT.....	1	
038	Plumbers	7204	CHIEF WATER SERVICE INSPECTOR.....	1	
038	Plumbers	7213	PLUMBER SUPERVISOR I.....	7	
038	Plumbers	7239	PLUMBER SUPERVISOR II.....	2	
038	Plumbers	7240	WATER METER SHOP SUPERVISOR I.....	1	
038	Plumbers	7248	STEAMFITTER SUPERVISOR II.....	1	
038	Plumbers	7250	UTILITY PLUMBER SUPERVISOR I.....	28	
038	Plumbers	7284	UTILITY PLUMBER SUPERVISOR II.....	7	
038	Plumbers	7316	WATER SERVICE INSPECTOR.....	27	
038	Plumbers	7317	SENIOR WATER SERVICE INSPECTOR.....	9	
038	Plumbers	7347	PLUMBER.....	75	
038	Plumbers	7348	STEAMFITTER.....	27.25	
038	Plumbers	7349	STEAMFITTER ASSISTANT SUPERVISOR.....	4.75	
038	Plumbers	7353	WATER METER REPAIRER.....	7	
038	Plumbers	7360	PIPE WELDER.....	7	
038	Plumbers	7386	UTILITY PLUMBER ASSISTANT SUPERVISOR....	0	
038	Plumbers	7388	UTILITY PLUMBER.....	58	
038	Plumbers	7449	SEWER SERVICE WORKER.....	12	
038	Plumbers	7463	UTILITY PLUMBER APPRENTICE.....	32	340.5
040	Roofers	9343	ROOFER.....	10	
040	Roofers	9344	ROOFER SUPERVISOR I.....	1	11
066	Plasterers	7361	PLASTERER.....	0	0
104	Sheet Metal	6235	HEAT AND VENTILATION INSPECTOR.....	4.75	
104	Sheet Metal	7247	SHEET METAL WORKER SUPERVISOR II.....	2	
104	Sheet Metal	7376	SHEET METAL WORKER.....	43	
104	Sheet Metal	9345	SHEET METAL SUPERVISOR I.....	6.5	56.25
130	Auto. Mach.	7126	MECHANICAL SHOP AND EQUIPMENT SUPT.....	2	
130	Auto. Mach.	7225	TRANSIT PAINT SHOP SUPERVISOR I.....	1	
130	Auto. Mach.	7228	AUTOMOTIVE TRANSIT SHOP SUPERVISOR I....	6	

Union	Class	Job Class Title	Class	Union
			Budget FTE Total	
130	Auto. Mach.	7232 HETCH HETCHY MECHANICAL SHOP SUPERVISOR.	1	
130	Auto. Mach.	7241 SENIOR MAINTENANCE CONTROLLER.....	2	
130	Auto. Mach.	7249 AUTOMOTIVE MECHANIC SUPERVISOR I.....	6	
130	Auto. Mach.	7254 AUTOMOTIVE MACHINIST SUPERVISOR I.....	7	
130	Auto. Mach.	7258 MAINTENANCE MACHINIST SUPERVISOR I.....	7	
130	Auto. Mach.	7264 AUTO BODY AND FENDER WORKER SUPV I.....	1	
130	Auto. Mach.	7277 CITY SHOPS ASST SUPERINTENDENT	1	
130	Auto. Mach.	7305 METAL FABRICATOR.....	1	
130	Auto. Mach.	7306 AUTOMOTIVE BODY AND FENDER WORKER.....	43	
130	Auto. Mach.	7309 CAR AND AUTO PAINTER.....	20	
130	Auto. Mach.	7313 AUTOMOTIVE MACHINIST.....	77.5	
130	Auto. Mach.	7315 AUTOMOTIVE MACHINIST ASST SUPERVISOR....	8	
130	Auto. Mach.	7322 AUTO BODY AND FENDER WORKER ASST SUPV...	1	
130	Auto. Mach.	7325 GENERAL UTILITY MECHANIC.....	10	
130	Auto. Mach.	7330 SENIOR GENERAL UTILITY MECHANIC.....	1	
130	Auto. Mach.	7332 MAINTENANCE MACHINIST.....	58.75	
130	Auto. Mach.	7337 MAINTENANCE MACHINIST ASST SUPERVISOR...	2	
130	Auto. Mach.	7340 MAINTENANCE CONTROLLER.....	9	
130	Auto. Mach.	7381 AUTOMOTIVE MECHANIC.....	140.75	
130	Auto. Mach.	7382 AUTOMOTIVE MECHANIC ASSISTANT SUPERVISOR	13	
130	Auto. Mach.	7387 UPHOLSTERER.....	2	
130	Auto. Mach.	7434 MAINTENANCE MACHINIST HELPER.....	5	426
216	Teamsters 853	7251 TRACK MAINTENANCE WORKER SUPERVISOR I...	10	
216	Teamsters 853	7355 TRUCK DRIVER.....	155.89	165.89
236	Carpenters	7226 CARPENTER SUPERVISOR I.....	12.75	
236	Carpenters	7236 LOCKSMITH SUPERVISOR I.....	2	
236	Carpenters	7272 CARPENTER SUPERVISOR II.....	2	
236	Carpenters	7342 LOCKSMITH.....	11.25	
236	Carpenters	7344 CARPENTER.....	75.75	
236	Carpenters	7358 PATTERNMAKER.....	3	106.75
261	Laborers	3402 FARMER.....	1	
261	Laborers	3417 GARDENER.....	353	
261	Laborers	3418 GARDENER ASSISTANT SUPERVISOR.....	8	
261	Laborers	3419 MUNICIPAL STADIUM GROUNDKEEPER.....	2	
261	Laborers	3422 PARK SECTION SUPERVISOR.....	41.5	
261	Laborers	3424 PEST CONTROL SPECIALIST.....	7	
261	Laborers	3428 NURSERY SPECIALIST.....	3	
261	Laborers	3430 CHIEF NURSERY SPECIALIST	2	
261	Laborers	3434 TREE TOPPER.....	0	
261	Laborers	3435 ARBORIST TECHNICIAN.....	37	
261	Laborers	3436 TREE TOPPER SUPERVISOR I.....	6.75	
261	Laborers	7215 GENERAL LABORER SUPERVISOR I.....	64.75	
261	Laborers	7220 ASPHALT FINISHER SUPERVISOR I.....	11.75	
261	Laborers	7246 SEWER REPAIR SUPERVISOR	4	
261	Laborers	7281 STREET ENVIRONMENTAL SERVICES SUPERVISOR	10	
261	Laborers	7404 ASPHALT FINISHER.....	13.5	
261	Laborers	7421 SEWER MAINTENANCE WORKER.....	25	

Union	Class	Job Class Title	Class	Union
			Budget FTE	Total
261 Laborers	7458	SWITCH REPAIRER.....	9	
261 Laborers	7501	ENVIRONMENTAL SERVICE WORKER	26	
261 Laborers	7502	ASPHALT WORKER.....	19.75	
261 Laborers	7514	GENERAL LABORER.....	367.75	
261 Laborers	7540	TRACK MAINTENANCE WORKER.....	38	1050.75
377 Ironworkers	7389	METALSMITH.....	3	
377 Ironworkers	7395	ORNAMENTAL IRON WORKER.....	11	
377 Ironworkers	9342	ORNAMENTAL IRON WORKER SUPERVISOR I.....	1	
377 Ironworkers	9346	FUSION WELDER.....	3	18
580 Cement Masons	7311	CEMENT MASON.....	23	23
718 Glaziers	7233	GLAZIER SUPERVISOR I.....	1	
718 Glaziers	7326	GLAZIER.....	7	8
929 Buidling Inspec.	6334	CHIEF BUILDING INSPECTOR.....	6	
930 Buidling Inspec.	6331	BUILDING INSPECTOR.....	62.75	
930 Buidling Inspec.	6333	SENIOR BUILDING INSPECTOR.....	11	79.75
				2495.14 *

*This total of 2495.14 positions covered by the subject MOUs is 41.86 positions less than the 2,537 positions stated in our report due to variances in vacancies.

ATTACHMENT II
INTERNAL WAGE ADJUSTMENTS
(Items 7 through 23 and 25 through 27)

File	Class	Title	One-time Wage Adjustment	Rationale
01-0568	7236	Locksmith Supervisor I	5.50%	Maintain wage differential with lower classes.
01-0571	7233	Glazier Supervisor I	5.50%	
01-0574	9342	Ornamental Ironworker Supervisor I	3.50%	Maintain wage differential with lower classification.
01-0575	3424	Pest control Specialist	5%	Market survey driven.
01-0575	3436	Tree Topper Supervisor I	6%	Market survey and consolidation of two classes
01-0575	7215	General Laborer Supervisor I	1.50%	Provides 5% differential from General Laborer Class
01-0580	7349	Assistant Steamfilter Supervisor	2%	Bargaining unit parity wage adjustment
01-0581	9344	Roofer Supervisor I	5%	

ATTACHMENT III PREMIUM PAY ADJUSTMENTS

01-0565	Sewage Premium	Proposed increase from \$3 per day to \$4 per day. In 2002 premium does to \$5 per day.	Classification 7307 Bricklayer and 7428 Hoid Carrier assigned to Sewer Repair receive this premium when assigned work which requires prolonged routine daily contact with untreated human/animal sewage.
01-0566	Certified OSIIIPD Building Inspector Premium	Proposed increase from \$1.50 per hour to \$3.00 per hour for each hour spent assigned.	Office of Statewide Health and Planning (OSIHPD) Premium. Those inspectors who are OSIHPD certified shall receive that they are assigned and are actually performing an OSIHPD inspection for a hospital or City Jail construction
01-0567	Certified OSIHPD Chief Building Inspector Premium	Proposed increase from \$1.50 per hour to \$3.00 per hour for each hour spent assigned.	Office of Statewide Health and Planning (OSIHPD) Premium. Those inspectors who are OSIHPD certified shall receive that they are assigned and are actually performing an OSIHPD inspection for a hospital or City Jail construction
01-0568	Extended tour of duty	Proposed increase from \$1.50 to \$2.00 more per hour added to the base hourly rate.	All covered employees working in a secured and restricted area of the correctional facilities.
01-0568	Correctional Facility Premium	Proposed \$1.50 per hour more for covered employees.	For employees whose jobs involve applying epoxy
01-0569	Epoxy Premium	Proposed increase from \$0.25 per hr. to \$0.50 per/hr. more added to the base hourly rate.	For employees required to work from a Bos'n chair, swing stage or any other hydraulic equipment.
01-0571	High Pay Premium	Proposed increase from \$0.50 to \$0.75 per hour added to base wage.	Employees in classifications 7242, 7278 and 7346 who are assigned to operate a thermo-plastic applicator
01-0577	Thermo-Plastics Premium	Proposed increase from \$0.50 to \$0.75 per hour added to base wage. Effective July 2, 2002 premium increases to \$1 more per hour above base wage.	For employees required to perform duties involving diving.
01-0578	Underwater Diving Premium	Proposed increase from \$10 to \$11 per hour more added to the base hourly rate.	For employees designated as bilingual position performing translation for 10 hrs within a biweekly pay period.
01-0584	Bilingual Premium	\$50 biweekly (new feature)	Employees in Class 7355 Truck Driver who operate boom trucks and front-end loaders shall be paid the premium.
01-0586	Boom-truck and Front end Loader Premium	Proposed increase from \$0.35 \$0.50 per hour for those hours actually driving.	Employees in Class 7355 Truck Driver who low tilt trailers, trailers or other equipment over 6000 pounds gross (Class A California Driver license required) shall be paid the premium.
01-0586	Tow Tilt Trailers, Trailers or other equipment over 600 Pounds Gross Weight Premium.	Proposed increase from \$0.50 \$0.75 per hour premium for those hours actually spent driving.	Employees in Class 7355 Truck Driver who operate semi-tractor trailer combinations (Class A California Driver license required), e.g. Equipment Transport, End Dumpster, or Flow-Boj operation, 60 ft. truck transfer (Hitch Hitch) shall be paid the premium.
01-0586	Semi-tractor trailer Combination Premiums	Proposed premium of \$1.25 per hour for those hours actually spent driving.	Employees in Class 7355 Truck Driver who are assigned to combination sewer cleaner vehicles or catch basin/storm drain cleaner vehicles shall be paid the premium.
01-0586	Sewer cleaner and catch basin/storm drain cleaner truck Premium	Proposed increase from \$0.45 to \$0.75 per hour for those hours actually spent driving or operating those vehicles.	



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
ControllerMatthew H. Hymel
Chief Assistant Controller

April 18, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 2-4
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Numbers: 010564 and 010567
Amendments to MOU with the Building Inspectors' Associations

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of amendments to the MOU between the City and County of San Francisco and the Building Inspectors' Associations. The amendments cover the period July 1, 2001 through June 30, 2003, and affect approximately 81 budgeted positions with an overall pay and benefits base of approximately \$7.3 million and a salary base of approximately \$6.4 million.

Based on our analysis, the amendments will result in incremental costs of approximately \$345,000 in FY 2001-2002, and \$373,000 in FY 2002-2003. The amendments will result in cost increases of approximately 4.7% above the overall pay and benefits base (approximately 5.3% above base salaries) in FY 2001-2002 and approximately 5.1% above the overall pay and benefits base (approximately 5.5% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides for four hours of parental leave and up to eight hours of release time for employees to attend retirement planning seminars. These provisions may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for these provisions at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there will be additional overtime and productivity costs for this bargaining unit. Finally, the MOU includes a provision excluding sick leave hours when determining eligibility for overtime which will result in some overtime savings to the city in future years.

If you have additional questions or concerns please contact me or Peg Stevenson of my staff at 554-7500.

Sincerely,

Matthew Hymel
Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Building Inspectors' Association
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$259,265	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$323,271
Health		
Increased dependent coverage to 75% of Kaiser index	30,456	0
Long Term Disability		
60% of salary	16,204	810
Wage-Related Fringe Increases	39,538	49,299
Total Estimated Incremental Costs	<u>345,463</u>	<u>373,380</u>
Annual Amount Above 2000-2001 Level	\$345,463	\$718,843
Cumulative Total Above 2000-2001 Provisions		\$1,064,306
Incremental Cost % of 2000-2001 Total Pay & Benefits	4.7%	5.1%
Incremental Cost % of Base Salary	5.3%	5.5%



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
ControllerMatthew H. Hymowitz
Chief Assistant Controller

April 18, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Amendments to Memoranda of Understanding (MOU) with:
Operating Engineers Local Union No. 3 of the International Union of Operating Engineers
Painters Union District Council #8 for Local 4
Bricklayers and Allied Crafts, Local 3
International Alliance of Theatrical Stage Employees, Local 16
Carpenters, Local 22
Local 34 Pile Drivers, Divers, Carpenters, Bridge, Wharf and Dock Builders
Hod Carriers, Local 36
United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry, Local #38
United Union of Roofers, Waterproofers and Allied Workers Local 40
Plasterers and Shophands, Local 66
Sheet Metal Workers International Union Local 104
Laborers International Union, Local 261
Teamsters, Local 350
International Association of Bridge, Structural, Ornamental and Reinforced Iron Workers, Local 377
Cement Masons, Local 580
Glaziers, Architectural Metal and Glass Workers, Local Union No. 718
Teamsters, Local 853

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of amendments to MOUs between the City and County of San Francisco and the coalition of unions listed above. The amendments cover the period July 1, 2001 through June 30, 2003, and affect 2,039 budgeted positions with an overall pay and benefits base of approximately \$155.2 million and a salary base of approximately \$114.8 million.

Based on our analysis, the amendments will result in incremental costs of approximately \$7.5 million in FY 2001-2002, and \$7.2 million in FY 2002-2003. The amendments will result in cost increases of approximately 4.9% above the overall pay and benefits base (approximately 5.9% above base salaries) in FY 2001-2002 and approximately 4.7% above the overall pay and benefits base (6.0% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

Page 2

In addition to the wage and benefit provisions in Attachment A, the MOU provides four hours of parental leave and up to eight hours of release time for employees to attend retirement planning seminars. These provisions may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for these provisions at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there will be additional overtime and productivity costs for this bargaining unit. Finally, the MOU includes a provision excluding sick leave hours when determining eligibility for overtime which will result in some overtime savings to the city in future years.

The MOU includes language specifying that employees in this bargaining unit who are deemed to be "service critical" by the Municipal Transportation Authority (Muni) will be eligible to receive performance and attendance incentives pursuant to Charter Section 8A.104 (Proposition E). These performance and attendance incentives will be paid from Muni funds and will have no general fund impact. Individuals would be eligible to receive a maximum of \$375 per quarter if all group and division goals in their unit are achieved.

If you have additional questions or concerns please contact me or Peg Stevenson of my staff at 554-7500.

Sincerely,



Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Crafts Coalition
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase¹		
3% on July 1, 2001, 2% on January 5, 2002	\$4,796,161	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$6,062,320
Wage Adjustments	182,154	8,652
Health		
Increased dependent coverage to 75% of Kaiser index	747,144	0
Coalition-wide Premium and Special Pays		
For night duty, lead worker and acting assignment pay	434,392	37,977
Additional Premiums and Benefits²	389,127	43,307
Pilot Wellness Program³		
2.5% of accrued sick leave if retiring after July 1, 2002	0	133,854
Wage-Related Fringe Increases	998,719	958,632
Total Estimated Incremental Costs	<u>\$7,547,696</u>	<u>\$7,244,742</u>
Annual Amount Above 2000-2001 Level	\$7,547,696	\$14,792,438
Cumulative Total Above 2000-2001 Provisions		\$22,340,134
Incremental Cost % of 2000-2001 Total Pay & Benefits	4.9%	4.7%
Incremental Cost % of Base Salary	5.9%	6.0%

¹Wage adjustments for Painters Local 4 are: 2% on July 1, 2001; 2% on January 5, 2002; 2.5% on July 1, 2002; 2.5% on January 4, 2003.

²Includes premiums and benefits provided only to certain unions in the coalition, such as long term disability, correctional facility and district captain premiums, and modifications to the safe driving incentive program.

³Assumes that a similar number of employees retire during contract years as during calendar year 2000. As more members become eligible, this cost would increase. While this program may allow departments to reduce overtime hours, we have not estimated an overtime budget decrease related to the Wellness Program at this time.

Department: Department of Human Resources (DHR)

Items: Ordinance fixing compensation for persons employed by the City and County of San Francisco whose compensation is subject to the provisions of Section A8.409 of the Charter, in classes not represented by an employee organization, and establishing working schedules and conditions of employment and methods of payments, effective July 1, 2001.

Description: The proposed ordinance would fix compensation and other conditions of employment for classifications not represented by employee organizations for the one-year period of Fiscal Year 2001-2002, in accordance with Charter Section A8.409. The proposed ordinance would cover 65 classifications and 175.63 positions, as shown in Attachment I, provided by the Controller's Office.

Major Economic Provisions: The major economic changes in the new proposed ordinance include the following:

Wage Increases

The proposed ordinance would provide a 5 percent wage increase to covered employees in FY 2001-2002 as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
Total	5.0%

Wage Adjustments

In addition to the 5 percent wage increase noted above, two classifications would receive a one-time wage adjustment, effective July 1, 2001, as follows:

<u>Class</u>	<u>Position</u>	<u>Percent Increase</u>
1130	Youth Commission Advisor (Board of Supervisors)	7.0%
1942	Assistant Materials Coordinator (Airport, Laguna Honda Hospital and Muni)	2.5%

BOARD OF SUPERVISORS
BUDGET ANALYST

The proposed ordinance would also require that the wage rate for Class AB44 Confidential Chief Attorney II would not be less than the salary Class 8184 Chief Attorney II. Because the current wage rate for Class AB44 Confidential Chief Attorney II is approximately 1.3 percent greater than the wage rate for Class 8184 Chief Attorney II, this proposed provision would not result in increased costs to the City in FY 2001-2002.

Acting Assignment Pay

The proposed language would provide that acting assignment pay begins on the 11th day of the assignment rather than on the 30th day in the current agreement, and that the increased pay would be retroactive to the first day of the assignment. According to Ms. Villagomez, the proposed acting assignment pay language is consistent with acting assignment pay language included in the existing SEIU Locals 250, 535, and 790, and the IFPTE Local 21 MOUs with the City and County of San Francisco.

Shift Differential

Under the proposed ordinance, the shift differential would increase by one percent, from 5 percent to 6 percent of base pay, and would include all hours worked between 5 p.m., rather than 6 p.m. in the current agreement, and 7 a.m.

Floating Holidays

The proposed ordinance would increase the number of floating holidays by one, from 3 to 4 annually. Ms. Villagomez states that the proposed addition of one floating holiday would make this agreement more consistent with the City's agreements with the labor unions, which generally provide 5 floating holidays and/ or furlough days.

Long Term Disability Insurance

The proposed ordinance would provide long term disability benefits at the City's expense, equal to 60 percent of base salary for covered employees who are on disability leave for more than 180 days.

BOARD OF SUPERVISORS
BUDGET ANALYST

Medical Benefits

The proposed ordinance provides that the City would pay the full monthly health insurance premium cost for employees who do not receive dependent health care benefits. According to Ms. Alice Villagomez of DHR, this provision is consistent with the City's existing agreements with the labor unions. Additionally, the proposed language would clarify that employees who are not in active status for 12 weeks or more would be required to pay the full cost of their monthly health insurance premium.

Retirement Benefits

The proposed ordinance contains new language requiring the City to cover the full cost of the employee's retirement contribution to the San Francisco Employee Retirement System (SFERS) or the State Public Employee Retirement System (PERS). According to Ms. Villagomez, the proposed language codifies the existing practice and does not result in increased costs to the City.

Release Time for Retirement Seminar

The proposed ordinance contains language to provide one day of paid release time during the term of the subject MOU to attend a pre-retirement planning seminar, sponsored by SFERS or PERS. Ms. Villagomez states that this provision is consistent with other proposed agreements between the City and labor unions.

Municipal Transportation Agency

Incentive Program

The proposed ordinance contains language regarding the Municipal Transportation Agency (MTA) Incentive and Attendance Programs. Under these provisions, covered employees working in "service-critical" areas of the MTA would be eligible to participate in the incentive and attendance programs. Under the incentive program, eligible employees would receive bonuses ranging from \$30 to \$150 each quarter, based on established performance goals. Under the attendance program, eligible operations employees who have not used

more than 40 hours of sick leave in the calendar year may receive 2 to 3 days of paid time, and eligible maintenance employees who have not used more than 40 hours of sick leave in the calendar year may cash out up to 20 to 40 hours of unused sick leave.

Volunteer Parent Release Time

The proposed ordinance contains language, granting covered employees 4 hours of paid time off each fiscal year to attend parent teacher conferences. In addition, covered employees may receive up to 40 hours each fiscal year of unpaid time for school activities. Ms. Villagomez states that this provision is consistent with proposed provisions in the City's agreements with the labor unions. Employees who do not have children receive no alternative benefit, according to Ms. Villagomez.

Safety Equipment

The proposed ordinance contains new language, requiring the City to provide safety or protective equipment, in compliance with California Occupational Safety and Health Administration (Cal-OSHA).

Comments:

1. The proposed ordinance would also include provisions that are consistent with the City's existing and proposed agreements with the labor unions, according to Ms. Villagomez. These provisions include (a) language codifying the City's practice of paying the employee's required retirement benefit contribution; (b) retirement seminar release time; (c) 4 hours of volunteer parent release time; (d) MTA performance and attendance incentives; (e) acting assignment pay beginning on the 11th day of employment, and (f) the City's agreement to pay the full monthly health insurance premium for employees who do not receive dependent health care coverage benefits.
2. The Budget Analyst notes that the proposed ordinance does not include the "pilot wellness

incentive program" which has been included in the City's past agreements and in proposed new agreements with labor unions. Ms. Villagomez advises that unrepresented employees will be part of the pilot wellness program. However, because the effective date for eligibility to cash out under the program will be in Fiscal Year 2002-2003, the program is not included in the subject ordinance for Fiscal Year 2001-2002. The pilot wellness program will be included in the ordinance for Fiscal Year 2002-2003, according to Ms. Villagomez.

3. As shown in Attachment II, provided by the Controller's Office, the Controller's Office estimates that the proposed one-year term of the ordinance will cost the City an additional \$748,304 in FY 2001-2002. However, as noted by the Controller's Office, these estimates do not include the additional four hours of parental leave and up to eight hours of time off for employees to attend retirement planning seminars. There may also be some overtime savings to offset some of these costs in the future, from the proposed provision to exclude sick leave time from the determination of eligibility for overtime pay.

Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for Fiscal Year 2001-2002 would be the General Fund Salary and Benefits Reserve Fund included in the proposed FY 2001-2002 budget.

4. The estimated costs of all the subject MOUs being considered by the Board of Supervisors, at this time, for FY 2001-2002 is \$11,710,098. The estimated costs of these MOUs for FY 2002-2003 is \$20,993,555 and the total cumulative two-year costs of these MOUs is \$32,703,653, as shown on the following page:

Memo to Audit, Labor & Government Efficiency Committee
 April 24, 2001 Audit, Labor & Government Efficiency Committee Meeting

	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
Skilled Nursing	0	0	0 ¹
Building Inspection	\$345,463	\$718,843	\$1,064,306
Crafts	7,547,696	14,792,438	22,340,134
Unrepresented	748,304	Not Part of This MOU	748,304 ²
Institutional Police	87,780	154,297	242,077
Stationary Engineers	2,900,698	5,161,267	8,061,965
Supervising Probation Officers	<u>80,157</u>	<u>166,710</u>	<u>246,867</u>
Total	\$11,710,098	\$20,993,555	\$32,703,653

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors..

¹ To be fully funded with State MediCal reimbursements.

² Unrepresented employees MOU would be effective July 1, 2001 through June 30, 2002, for only one year.

Unrepresented Positions

Job Class	Job Class Title	No. of Positions
1130	YOUTH COMMISSION ADVISOR, BOS.....	1
1471	ELECTIONS WORKER.....	1
1766	MEDIA PRODUCTION TECHNICIAN.....	0
1767	MEDIA PROGRAMMING SPECIALIST.....	0
1769	MEDIA PRODUCTION SUPERVISOR.....	0
2576	SUPERVISING CLINICAL PSYCHOLOGIST.....	1
2782	LAUNDRY SUPERINTENDENT.....	1
B168	PARKING HEARING SUPERVISOR.....	1
B222	HOUSING AUTHORITY POLICE OFFICER.....	1,1B
B263	CRIME LABORATORY MANAGER.....	0
B446	COURT ALTERNATIVE SPECIALIST I.....	1
A100	PARKING ENFORCEMENT SUP.....	4
AA35	ASST. DIRECTOR OF BUDGET & PLANNING.....	1
AB22	ADMINISTRATIVE SERVICES DIRECTOR	1
AB27	SECRETARY, COMMISSION ON THE ENVIRONMENT	1
AB34	DIRECTOR OF COMMUNITY HEALTH SERVICES...	1
AC2B	CHIEF FORENSIC PATHOLOGIST.....	5
A712	HYDRANT SERVICE PERSON.....	1
5502	PROJECT MANAGER I.....	1
5506	PROJECT MANAGER III.....	2
5504	PROJECT MANAGER II.....	1
5502	PROJECT MANAGER I.....	1
5504	PROJECT MANAGER II.....	1
5506	PROJECT MANAGER III.....	1
5306	TRAFFIC SIGN MANAGER.....	1
AB40	DEPUTY CITY LIBRARIAN	1
AB42	LIBRARIAN IV	6
8446	COURT ALTERNATIVE SPECIALIST I.....	1
5502	PROJECT MANAGER I.....	0
5504	PROJECT MANAGER II.....	1
5506	PROJECT MANAGER III.....	2
9920	PUBLIC SERVICE AIDE-ASST TO PROFESSIONAL	4
5264	AIRPORT NOISE ABATEMENT SPECIALIST.....	6
5506	PROJECT MANAGER III.....	1
2481	WATER QUALITY TECH I/II (DEEP CLASS)....	0
2482	WATER QUALITY TECH III	0
2486	CHEMIST I/II (DEEP CLASS).....	0
2487	CHEMIST III	0
2488	SUPERVISING CHEMIST.....	0
2489	LABORATORY SERVICES MANAGER.....	0
9916	PUBLIC SERVICE AIDE-PUBLIC WORKS.....	8
A922	ELECTRONIC INSTRUMENTATION ASST SUPV....	4
AA0B	RESEARCH CHEMIST.....	1
1942	ASSISTANT MATERIALS COORDINATOR.....	1
2561	OPTOMETRIST.....	1
2576	SUPERVISING CLINICAL PSYCHOLOGIST.....	2,5
3650	MEDICAL RECORDS LIBRARIAN.....	1
5504	PROJECT MANAGER II.....	1
AB21	DUAL DIAGNOSIS SPECIALIST.....	1
2576	SUPERVISING CLINICAL PSYCHOLOGIST.....	3
1942	ASSISTANT MATERIALS COORDINATOR.....	2
5504	PROJECT MANAGER II.....	1
8121	FARE INSPECTIONS SUPERVISOR/INVESTIGATOR	4
9132	TRANSIT FARE INSPECTOR.....	21
AA85	ADMIN SECRETARY,TRANSPORTATION COMMISSN.	1
AC29	OPERATIONS SUPERVISOR.....	0
5502	PROJECT MANAGER I.....	2
5504	PROJECT MANAGER II.....	4

5506	PROJECT MANAGER III.....	3
5504	PROJECT MANAGER II.....	1
AA69	POWER GENERATION SITE SUPV.....	1
2481	WATER QUALITY TECH I/II (DEEP CLASS)....	0
2482	WATER QUALITY TECH III	0
2483	BIOLOGIST I/II (DEEP CLASS).....	0
2485	SUPERVISING BIOLOGIST	0
2486	CHEMIST I/II (DEEP CLASS).....	0
2488	SUPERVISING CHEMIST	0
2489	LABORATORY SERVICES MANAGER.....	0
AA08	RESEARCH CHEMIST.....	0
5502	PROJECT MANAGER I.....	1
5506	PROJECT MANAGER III.....	1
8247	EMERGENCY PLANNING COORDINATOR.....	1
5504	PROJECT MANAGER II.....	1
AC23	PUBLIC SAFETY WIRE COMMUNICATIONS MGR...	1
5506	PROJECT MANAGER III.....	1
0130	SUPERINTENDENT OF SCHOOLS.....	1
1283	DIRECTOR, EMPLOYEE RELATIONS DIVISION...	1
1293	HUMAN RESOURCES DIRECTOR...	1
2953	CHIEF DEPUTY DIRECTOR, HUMAN SERVICES...	1
2978	CONTRACT COMPLIANCE OFFICER II.....	3
5105	MANAGER, FINANCE & ADMINISTRATION, CPC..	2
AA81	EXECUTIVE DIRECTOR, ETHICS COMMISSION...	1
A844	CONFIDENTIAL CHIEF ATTORNEY II	5
5508	PROJECT MANAGER IV.....	1
1849	MAYOR'S PROGRAM MANAGER.....	1
2978	CONTRACT COMPLIANCE OFFICER II.....	4
8137	CHIEF VICTIM/WITNESS INVESTIGATOR.....	0.05
5508	PROJECT MANAGER IV.....	1
3234	MARINA MANAGER.....	1
A006	PARKING BUREAU CHIEF.....	1
8137	CHIEF VICTIM/WITNESS INVESTIGATOR.....	0.9
1379	SPECIAL ASSISTANT XX	1
5508	PROJECT MANAGER IV.....	6
5508	PROJECT MANAGER IV.....	2
AC27	DIRECTOR OF AIRPORT RUNWAYS.....	1
2978	CONTRACT COMPLIANCE OFFICER II.....	1
AC26	SENIOR OPERATIONS MANAGER.....	13
5508	PROJECT MANAGER IV.....	1
9375	ASSISTANT DEPUTY DIRECTOR, PORT.....	5
1379	SPECIAL ASSISTANT XX	0

Total	175.63
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Source: Controller's Office



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
Controller

Matthew H. Hymel
Chief Assistant Controller

April 18, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Amendments to Memoranda of Understanding with Unrepresented Employees

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of amendments to the MOUs between the City and County of San Francisco and the Unrepresented Employees. The amendments cover the period July 1, 2001 through June 30, 2002, and affect some 176 budgeted positions with a salary base of approximately \$20.4 million.

Based on our analysis, the amendments will result in incremental costs of approximately \$748,300 in FY 2001-2002, approximately 5.1% above base salaries. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides four hours of parental leave and up to eight hours of release time for employees to attend retirement planning seminars. These provisions may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for these provisions at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there will be additional overtime and productivity costs for this bargaining unit. Finally, the MOU includes a provision excluding sick leave hours when determining eligibility for overtime which will result in some overtime savings to the city in future years.

The MOU includes language specifying that employees in this bargaining unit who are deemed to be "service critical" by the Municipal Transportation Authority (Muni) will be eligible to receive performance and attendance incentives pursuant to Charter Section 8A.104 (Proposition E). These performance and attendance incentives will be paid from Muni funds and will have no general fund impact. Individuals would be eligible to receive a maximum of \$1,500 annually if all group and division goals in their unit are achieved.

If you have additional questions or concerns please contact me or Peg Stevenson of my staff at 554-7500.

Sincerely,

Peg Stevenson
Edward M. Harrington *for*
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Unrepresented Employees
Estimated Costs FY 2001-2002
Controller's Office

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 2001-2002</u>
Wage Increase	
3% on July 1, 2001, 2% on January 5, 2002	\$582,522
Wage Adjustments	
For classes AB44, 1130 and 1942	9,144
Premiums and Special Pays	
Increase in night duty pay, acting assignment from 11th day retroactive to 1st	3,861
Health	
Medically single provision for employees with no dependents	3,775
Bar Dues	
State bar dues reimbursed if required for city employment	520
Long Term Disability	
60% of salary up to 65	58,252
Wage-Related Fringe Increases	90,229
Total Estimated Incremental Costs	<u>\$748,304</u>
Incremental Cost % of Base Salary	5.1%

Department: Department of Human Resources (DHR)

Items: Ordinance adopting and implementing the Memorandum of Understanding between the San Francisco Institutional Police Officers' Association and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Description: The proposed Memorandum of Understanding (MOU) between the San Francisco Institutional Police Officers' Association, and the City and County of San Francisco is the successor agreement to the existing four-year MOU, extending from July 1, 1997 through June 30, 2001. The proposed new two-year MOU, which is effective from July 1, 2001 through June 30, 2003, covers 3 classifications, comprising a total of 19 positions as follows:

<u>Classifications</u>	<u>Position</u>	<u>No. of Positions</u>
8205	Institutional Police Sergeant	15
8206	Institutional Police Captain	3
8209	Institutional Police Lieutenant	1
<u>Total</u>		<u>19</u>

**Major Economic
Provisions:**

The major economic changes of the new subject MOU from the prior MOU include the following:

Wage Increases

The proposed MOU would provide wage increases, totaling 10 percent over the two-year period to all covered employees as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
July 1, 2002	2.5%
January 4, 2003	2.5%
Total	10 %

In addition, all covered classifications in the subject bargaining unit will receive a one-time internal adjustment on July 1, 2001, of 2 percent, for a total wage increase on July 1, 2001 of 5 percent (3 percent wage increase plus 2 percent internal adjustment). Therefore, including the 2 percent internal adjustment, the MOU would provide a total wage increase of 12 percent over the two-year term of the MOU, or an average of 6 percent per year.

Shift Differential

The shift differential pay would be increased from 8 percent for all hours worked between 5 p.m. and 7 a.m. to 8.5 percent of base pay for work performed between 5 p.m. and midnight, an increase of one-half percent from the existing 8 percent level, and 10 percent of base pay for work performed between midnight and 7 a.m., an increase of 2 percent from the 8 percent level.

Acting Assignment Pay

The provisions regarding acting assignment pay in the subject MOU have been modified, reducing the number of days to qualify for acting assignment pay and creating parity across the bargaining units. Under the proposed language, acting assignment pay would begin on the 11th day of the assignment, rather than as currently on the 21st day of the assignment, and the increased acting assignment pay would be retroactive to the first day of the assignment. According to Ms. Alice Villagomez of the Department of Human Resources, the proposed acting assignment pay provision is consistent with acting assignment pay

provisions included in the SEIU Locals 250, 535, and 790, and the IFPTE Local 21 MOUS with the City and County of San Francisco.

Overtime Pay

The proposed MOU contains new language to exclude days which were taken off as sick leave from determining eligibility for overtime payments for covered employees who work more than 40 hours per week.

Floating Holidays

The proposed MOU contains new language to increase the number of floating holidays by 2, from 3 per year to 5 per year, and to eliminate the 2 existing furlough days. Ms. Villagomez states that, therefore, the total number of paid days off under this provision would remain unchanged and would not result in increased costs to the City.

Medical Benefits

In the proposed MOU, the amount of dependent health care coverage paid by the City would increase. Currently the City pays \$225 per month for dependent health care coverage. Under the proposed MOU the City's contribution would increase from a flat rate of \$225 per month to a formula equal to 75 percent of the cost of the Kaiser Health Plan rate for two or more dependents. In FY 2001-2002, 75 percent of the Kaiser Health Plan rate for two or more dependents would equal \$279 per month, which is an increase of \$54 in the monthly amount that the City currently pays for dependent health care coverage (\$279 less \$225). According to Ms. Villagomez, the proposed medical benefit changes are consistent with provisions in the existing MOUs with SEIU, Locals 250, 535, and 790, IFPTE, Local 21, Fire Fighters Union, Local 798, and the Management Employees Association.

The proposed MOU contains language codifying the existing practice of the City contributing all of the premium for the employee's own health care benefit coverage for those employees who do not receive dependent health care benefits. Ms. Villagomez

advises that this provision was implemented on July 1, 1997, as required by the existing MOU, which states that: "If the City reaches agreements with other unions representing at least half of the City's employees to provide increased health benefits for single employees and the agreements are not in lieu of wage increases, the same health benefit increases shall be applied to single employees covered by this Agreement, effective the same payroll period that the benefit is extended to more than half the City's employees."

Additionally, the proposed MOU contains updated language to confer with changes in the Administrative Code, specifying that the employee is responsible to pay the total monthly health care premium if not in active service for more than 12 weeks and not on sick leave or approved disability status.

Pilot Wellness Incentive Program

The proposed MOU contains language establishing a pilot wellness program as an incentive to decrease the use of sick leave. Under the pilot wellness program, the employee would be able to receive a cash payment upon retirement for unused sick leave, based upon the employee's salary rate and years of service. The proposed program enables covered employees to receive a lump-sum payment of 2.5 percent of accrued sick leave credits times the number of whole years of continuous years of service times the employee's salary rate

As noted above, Ms. Villagomez states that the pilot wellness incentive program and the proposed language to exclude sick leave from determining eligibility for overtime, are part of the City's effort to decrease the use of unscheduled sick leave and to provide incentives to reduce the amount of sick leave use (See Comment No. 3).

Paid Time for Retirement Seminar

The proposed MOU contains language to provide one day of paid time for each covered employee during the term of the subject MOU to attend a

BOARD OF SUPERVISORS

BUDGET ANALYST

pre-retirement planning seminar, sponsored by San Francisco Employees Retirement System (SFERS) or the California State Public Employees Retirement System (PERS).

Volunteer Parent Release Time

The subject MOU contains language to grant covered employees 4 hours of paid time off each fiscal year to attend parent teacher conferences. In addition, covered employees may receive up to 40 hours each fiscal year of unpaid time for school activities. According to Ms. Villagomez, this proposed language has been included in the other agreements between the City and the labor unions. Employees who do not have children receive no alternative benefit, according to Ms. Villagomez.

Major Non-Economic Provisions:

The major non-economic changes in the subject MOU are as follows:

Grievance Procedure

The proposed MOU contains revised language to streamline the grievance procedure steps and timelines. According to Ms. Villagomez, the proposed grievance language changes will bring the grievance procedure steps and timelines into conformity with other existing City MOUs.

Personnel Files

The proposed MOU would revise existing language that allows covered employees to request that personnel file documents regarding disciplinary actions more than two years old be sealed. Under the proposed MOU, the modified language would exclude sealing of disciplinary documents under specific conditions. Such files may not be sealed if the discipline resulted from misappropriation of funds, misuse or destruction of public property, misconduct stemming from drug or alcohol abuse, serious mistreatment of other individuals, felony or misdemeanor convictions involving moral turpitude, and public health or safety risks. According to Ms. Villagomez, the proposed new

language would codify existing practice and create uniformity among the MOUs.

Staffing Levels

The proposed MOU contains new language to provide that the City will meet and confer with the subject Union on the impact of any proposed reductions in the number of budgeted positions.

Alternative Work Schedules

The proposed MOU contains language to provide that the City will meet and confer with the Union on proposals offered by the Union or by the Department regarding developing and scheduling alternative work schedules.

Comments:

1. According to Ms. Villagomez, although the subject MOU would provide significant wage and benefit increases for City employees, the proposed MOU would also achieve the following three City objectives:

- The City has attempted to address employee attendance issues by (a) excluding sick leave time taken off in being eligible to receive overtime pay and (b) implementing the Pilot Wellness Incentive Program.
- The City has included language into the subject MOU to streamline the grievance procedure, creating uniformity between the subject MOU and other City MOUs in the grievance steps and timelines.
- The City has included more consistency between the subject MOU and other City MOUs in order to provide more equitable benefits for City employees and for DHR to realize greater efficiencies in managing these contracts.

2. Ms. Villagomez advises that over the years, DHR has attempted to negotiate comparable provisions in the various MOUs with labor unions, such as

new language to exclude sick leave time take off in determining eligibility for overtime pay for employees who work more than 40 hours per week.

3. According to Ms. Villagomez, the Pilot Wellness Incentive Program is a new provision included in the proposed MOU between the City and the bargaining units to provide an incentive to decrease City employee's use of sick leave. Under the proposed Pilot Wellness Incentive Program, employees would be able to receive a cash payment upon retirement for unused sick leave, based on the employee's salary rate and the number of years of service. However, the Budget Analyst notes that in November of 1978, the voters of San Francisco approved a Charter Amendment, which became Charter Section 8.363, which stated that after 1978, employees hired by the City would not be entitled to receive cash payments or compensation of any type for accumulated unused sick leave.

On November 7, 1995, the voters of San Francisco approved a new Charter for the City and County of San Francisco. The current Charter does not contain this earlier voter-approved Charter Amendment prohibiting any compensation for unused sick leave. The Budget Analyst notes that a review of the Voter Information Pamphlet from the November 7, 1995 election does not mention that this provision would be eliminated from the new Charter, and in fact, states under the Section on Employee Retirement and Health Service System, that the "proposed revision would make no significant changes in these areas". The Budget Analyst questions whether the voters would have approved such a provision in the new Charter to eliminate the preclusion of lump sum unused sick leave payments to employees upon retirement, if the voters had been advised of such facts. That Charter Amendment previously approved by the voters had resulted in significant cost savings to the City.

Mr. John Holtzman of the Mayor's Office advises that the intention of the new Charter was to give

responsibility for this sick leave provision to the Civil Service Commission. According to Mr. Phil Ginsburg of the City Attorney's Office, Civil Service Commission Rule 120 provides that no reimbursement for any unused sick leave after 1978 is permitted, except as determined by collective bargaining, and that the subject MOUs are the result of such collective bargaining, and are therefore permitted. Furthermore, Mr. Ginsburg advises that in 1999, the City approved such cash provisions for unused sick leave in the Police and Fire MOUs and the Municipal Transportation Agency employees received similar provisions in 2000.

4. As shown in the Attachment, provided by the Controller's Office, the Controller's Office estimates that the proposed MOU will cost the City an additional \$87,780 in Fiscal Year 2001-2002 and \$154,297 in Fiscal Year 2002-2003, for a cumulative total of \$242,077 over the two-year period of the agreement. However, as noted by the Controller's Office, these estimates do not include the additional four hours of parental leave and up to eight hours of time off for employees to attend retirement planning seminars. There may also be some overtime savings to offset some of these costs in the future, from the proposed provision to exclude sick leave time from the determination of eligibility for overtime pay.

Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for Fiscal Year 2001-2002 would be the General Fund Salary and Benefits Reserve Fund included in the proposed FY 2001-2002 budget.

5. The estimated costs of all the subject MOUs being considered by the Board of Supervisors, at this time, for FY 2001-2002 is \$11,710,098. The estimated costs of these MOUs for FY 2002-2003 is \$20,993,555 and the total cumulative two-year costs of these MOUs is \$32,703,653, as shown below:

	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
Skilled Nursing	0	0	0 ¹
Building Inspection	\$345,463	\$718,843	\$1,064,306
Crafts	7,547,696	14,792,438	22,340,134
Unrepresented	748,304	Not Part of This MOU	748,304 ²
Institutional Police	87,780	154,297	242,077
Stationary Engineers	2,900,698	5,161,267	8,061,965
Supervising Probation Officers	<u>80,157</u>	<u>166,710</u>	<u>246,867</u>
Total	\$11,710,098	\$20,993,555	\$32,703,653

6. Despite the explanation provided above by Mr. Holtzman and Mr. Ginsburg, the Budget Analyst questions whether the San Francisco voters in 1995 would have approved an undisclosed provision in the new Charter to eliminate the prohibition of lump sum payments for unused sick leave to employees upon retirement, especially given that voters had previously approved this prohibition in a prior Charter Amendment.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

¹ To be fully funded with State MediCal reimbursements.

² Unrepresented employees MOU would be effective July 1, 2001 through June 30, 2002, for only one year.



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
ControllerMatthew H. Hym
Chief Assistant Controller

April 18, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number: 010573
Amendment to Memoranda of Understanding with the San Francisco Institutional Police Officers' Association

Dear Ms. Young:

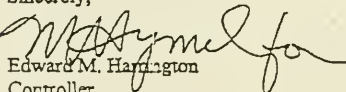
In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and the San Francisco Institutional Police Officers' Association. The amendment covers the period July 1, 2001 through June 30, 2003, and affects 19 budgeted positions with an overall pay and benefits base of approximately \$1.3 million and a salary base of approximately \$1.1 million.

Based on our analysis, the amendment will result in incremental costs of approximately \$88,000 in FY 2001-2002, and \$66,000 in FY 2002-2003. The amendment will result in cost increases of approximately 6.6% above the overall pay and benefits base (approximately 7.7% above base salaries) in FY 2001-2002 and approximately 5.0% above the overall pay and benefits base (approximately 5.6% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides four hours of parental leave and up to eight hours of release time for employees to attend retirement planning seminars. These provisions may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for these provisions at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there will be additional overtime and productivity costs for this bargaining unit. Finally, the MOU includes a provision excluding sick leave hours when determining eligibility for overtime which will result in some overtime savings to the city in future years.

If you have additional questions or concerns please contact me or Peg Stevenson of my staff at 554-7500.

Sincerely,


Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Institutional Police Officers' Association
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$45,336	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$56,528
Wage Adjustments		
2% for all represented classes	22,668	1,077
Health		
Increased dependent coverage to 75% of Kaiser index	5,832	0
Premium and Special Pays		
Night duty, lead worker and acting assignment pay	2,329	111
Wage-Related Fringe Increases	11,615	8,802
Total Estimated Incremental Costs	<u>\$87,780</u>	<u>\$66,517</u>
Annual Amount Above 2000-2001 Level	\$87,730	\$154,297
Cumulative Total Above 2000-2001 Provisions		\$242,076
Incremental Cost % of 2000-2001 Total Pay & Benefits	6.6%	5.0%
Incremental Cost % of Base Salary	7.7%	5.6%

Item 27 – File 01-0583

Department: Department of Human Resources (DHR)

Items: Ordinance adopting and implementing the Memorandum of Understanding between the International Union of Operating Engineers, Stationary Engineers, Local 39, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003

Description: The proposed Memoranda of Understanding (MOU) between the International Union of Operating Engineers, Stationary Engineers, Local 39, and the City and County of San Francisco is the successor agreement to the existing two-year MOU, extending from July 1, 1999 through June 30, 2001. The proposed two-year MOU, which is effective from July 1, 2001 through June 30, 2003, covers 22 classifications and comprises a total of 677 employees as noted in Attachment I.

Major Economic Provisions: The major economic changes of the new proposed MOU from the existing MOU include the following:

Wage increases

The proposed MOU would provide wage increases, totaling 9.5 percent over the two-year period to all covered employees as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
July 1, 2002	2.5%
January 4, 2003	2.0%
Total	9.5%

According to Ms. Alice Villagomez of DHR, Stationary Engineers Local 39 agreed to a 0.5 percent lower wage increase than the other MOUs recently negotiated because the Stationary Engineers did not agree to exclude the use of paid sick leave in the calculation of overtime. However,

the Budget Analyst notes that the subject MOU provides the same 5 percent increase in the first year of the agreement that is being provided to other bargaining units, as compared to the Painters MOU (File 01-0577) where the wage increase is one percent lower in exchange for keeping the same overtime provisions. The subject MOU would provide a 2 percent wage increase in January of 2003, compared to a 2.5 percent wage increase in January of 2003 which is contained in the other MOUs recently negotiated.

Shift Differential

The shift differential increased from a flat rate of \$1.65 per hour for all hours worked outside of the day shift to a percentage rate of 8.5 percent of base pay for work performed between 5 p.m. and midnight and 10 percent of base pay for work performed between midnight and 7 a.m. The Budget Analyst notes that this differential, which is based on a percentage rather than a flat rate, results in an increase at an accelerating rate as wage increases are received.

Multiple License Requirement Premium

Covered employees would receive a 5 percent premium for possession of multiple licenses that exceed the required minimum license qualifications (excluding driver's licenses) required by the regulating body (i.e., Department of Public Health and State Water Resources Control Board). This premium is in addition to classes compensated for the possession of one license (i.e., water and wastewater certificates).

Floating Holidays

The proposed MOU provides for one additional floating holiday in the second year of the agreement, increasing the number of floating holidays from 3 to 4 per year.

Medical Benefits

In the proposed MOU, the amount of dependent care coverage paid by the City would increase from \$225 per month to a formula equal to 75 percent of

the cost of the Kaiser Health Plan rate for 2 or more dependents. In FY 2001-2002, the City would contribute \$279 per month for dependent health care coverage under the new formula, which is \$54 per month greater than the amount currently, contributed (\$279 less \$225). According to Ms. Villagomez, the proposed medical benefit changes are consistent with provisions in the existing MOUs with SEIU, Locals 250, 535, and 790, IFPTE, Local 21, Fire Fighters Union, Local 798, and the Management Employees Association.

In addition, the proposed MOU contains new language, specifying that a covered employee who is not in active service for a period of 12 weeks or more, and who is not on approved sick or disability leave, will be responsible for paying the full monthly health care premium.

Retirement Benefits

The proposed MOU contains new language, confirming that the City covers the full cost of the covered employee's retirement contribution to the San Francisco Employee Retirement System (SFERS) or the State Public Employee Retirement System (PERS). Ms. Villagomez states that this new language is consistent with language in the City's existing MOUs with SEIU, Locals 250, 535 and 790.

Release Time for Retirement Seminar

The proposed MOU contains language, providing one day of paid time off during the term of the subject MOU to attend a pre-retirement planning seminar, sponsored by SFERS or PERS.

Pilot Wellness Incentive Program

Ms. Villagomez states that the proposed MOU contains language establishing a pilot wellness program as an incentive to decrease the use of sick leave. Under the pilot wellness program, the employee would be able to receive a cash payment upon retirement for unused sick leave, based upon the employee's salary rate and years of service. The program enables covered employees to receive 2.5%

of accrued sick leave credits times the number of whole years of continuous years of service times the employee's salary rate upon retirement (See Comment No. 3).

Municipal Transportation Agency Incentive Program

The proposed MOU contains provisions regarding the Municipal Transportation Agency (MTA) Incentive and Attendance Programs. Under these provisions, covered employees working in "service-critical" areas of the MTA would be eligible to participate in the incentive and attendance programs. Under the incentive program, eligible employees would receive bonuses ranging from \$30 to \$150 each quarter, based on established performance goals. Under the attendance program, eligible operations employees, who have not used more than 40 hours of sick leave in the calendar year, may receive 2 to 3 days of paid time off, and eligible maintenance employees, who have not used more than 40 hours of sick leave in the calendar year, may cash out up to 20 to 40 hours of unused sick leave.

Skilled Nursing Facility Pass-through Premium

Pursuant to California Health and Welfare Code Section 14110.6, the State provides funds to the County to pay a wage premium to certain classifications assigned to skilled nursing facilities, such as Laguna Honda. The proposed MOU contains a provision, specifying that in no case will the total amount of the premium for all unions exceed the amount provided by the State to the City and the premium will continue only as long as the State provides the funds. Ms. Villagomez states that the cost of this premium would be borne entirely by the State and would not result in any increased costs to the City.

Safety Equipment

The proposed MOU contains new language, requiring the City to provide safety or protective equipment, in compliance with California

Occupational Safety and Health Administration
(Cal-OSHA).

Employee Tuition Reimbursement Program

The proposed MOU increases the amount of funds contributed by the City annually to the Employee Tuition Reimbursement Program from \$4,000 to \$8,000, an increase of \$4,000 or 100 percent. Over the two-year period of the proposed MOU, this program would cost the City \$16,000.

Apprentice Training Program

Under the proposed MOU, the amount of reimbursement paid to eligible employees annually would increase from \$175 to \$250, an increase of 43% and the total amount contributed by the City would increase from \$64,000 annually to \$73,600 annually, an increase of 15 percent. This program will result in total costs of \$147,000 over the two-year MOU period.

Volunteer Parent Release Time

The subject MOU contains language, granting covered employees 4 hours of paid time off each fiscal year to attend parent teacher conferences. In addition, covered employees may receive up to 40 hours each fiscal year of unpaid time for school activities. According to Ms. Villagomez, this proposed language has been included in the other agreements between the City and the labor unions.

Major Non-Economic Provisions:

The major non-economic changes in the proposed MOU as compared with the current MOU are as follows:

Grievance Procedure

The proposed MOU contains revised language, streamlining the grievance procedure steps and timelines. According to Ms. Villagomez, the grievance language changes will bring the grievance procedure steps and timelines into conformity with other existing MOUs.

Probationary Period

The proposed MOU contains new language, confirming the existing practice of requiring a 6 month or one year probationary period for new employees hired into certain classifications as follows:

(a) The following classifications would receive a 6-month probationary period:

7223 Cable Machinery Supervisor
7286 Wire Rope Cable Maintenance Supervisor
7333 Apprentice Stationary Engineer
7334 Stationary Engineer
7339 Apprentice Stationary Engineer
7341 Stationary Engineer, Water Treatment Plant
7372 Stationary Engineer, Sewage Plant
7375 Apprentice Stationary Engineer
7420 Bridgetender
7472 Wire Rope Cable Maintenance Mechanic
7473 Wire Rope Cable Maintenance Mechanic

(b) The following classifications would receive a one-year probationary period:

5148 Water Operations Analyst
5149 Superintendent, Water Treatment Facilities
7120 Buildings and Grounds Maintenance
Superintendent
7203 Buildings and Grounds Maintenance
Supervisor
7205 Chief Stationary Engineer
7245 Chief Stationary Engineer, Water Treatment
Plant
7252 Chief Stationary Engineer, Sewage Plant
7262 Maintenance Planner
7335 Senior Stationary Engineer
7343 Senior Stationary Engineer, Water
Treatment Plant
7373 Senior Stationary Engineer, Sewage Plant
9232 Airport Mechanical Maintenance Supervisor

Anti-Nepotism Policy (MTA “service-critical” employees)

The subject MOU contains new language, prohibiting employees assigned to MTA and designated to be “service-critical” from applying for positions requiring them to report to or to supervise family members or domestic partners. Ms. Villagomez states that this proposed language is consistent with language included in other MOUs, covering classifications assigned to the MTA.

Past Practices

The subject MOU contains new language, stating that all past practices and understandings not specifically contained within the MOU would no longer be enforceable.

Comments:

1. According to Ms. Villagomez, although the proposed MOU provides significant wage and benefit increases for City employees, the proposed MOU would also achieve the following four City objectives:

- The City has attempted to address employee attendance issues by (a) excluding sick leave time taken off in being eligible to receive overtime pay and (b) implementing the Pilot Wellness Incentive Program.
- The City has codified existing past practices into the proposed MOUs and added language, stating that all past practices and understandings not specifically contained within the MOU would no longer be enforceable.
- The City has included language into the MOUs to streamline the grievance procedure, creating uniformity in the MOUs in the grievance steps and timelines.
- The City has included more consistency in these agreements in order to provide more equitable benefits for City employees and for DHR to realize greater efficiencies in managing these contracts.

2. Ms. Villagomez advises that over the years, DHR has attempted to negotiate comparable provisions in the various MOUs, such as new language to exclude sick leave time take off in determining eligibility for overtime pay for employees who work more than 40 hours per week, in order to provide equitable treatment for all City and County employees.

The Budget Analyst therefore questions why the proposed MOU provides special and unique provisions for the International Union of Operating Engineers, Stationary Engineers, Local 39, that are distinct from the comparable provisions included for the other employee groups in the City. For example, under the proposed MOU (File 01-0583), the Operating and Stationary Engineers would receive a two-year wage increase of 9.5 percent, which is only 0.5 percent less than the 10.0 percent two-year wage increase provided in the other MOUs that are currently being considered by the Board of Supervisors. However, in exchange for granting the 0.5 percent reduction in wage increases to the Operating and Stationary Engineer, this employee group would be permitted to be excluded from the otherwise, across-the-board restriction of not including sick leave time taken off for determining their eligibility to work overtime and then receive overtime pay.

3. According to Ms. Villagomez, the Pilot Wellness Incentive Program is a new provision included in the proposed agreements between the City and the bargaining units to provide an incentive to decrease City employee's use of sick leave. Under the proposed Pilot Wellness Incentive Program, employees would be able to receive a cash payment upon retirement for unused sick leave, based on the employee's salary rate and the number of years of service. However, the Budget Analyst notes that in November of 1978, the voters of San Francisco approved a Charter Amendment, which became Charter Section 8.363, which stated that after 1978, employees hired by the City would not be

entitled to receive cash payments or compensation of any type for accumulated unused sick leave.

On November 7, 1995, the voters of San Francisco approved a new Charter for the City and County of San Francisco. The current Charter does not contain this earlier voter-approved Charter Amendment prohibiting any compensation for unused sick leave. The Budget Analyst notes that a review of the Voter Information Pamphlet from the November 7, 1995 election does not mention that this provision would be eliminated from the new Charter, and in fact, states under the Section on Employee Retirement and Health Service System, that the "proposed revision would make no significant changes in these areas". The Budget Analyst questions whether the voters would have approved such a provision in the new Charter to eliminate the preclusion of lump sum unused sick leave payments to employees upon retirement, if the voters had been advised of such facts. That Charter Amendment previously approved by the voters had resulted in significant cost savings to the City.

Mr. John Holtzman of the Mayor's Office advises that the intention of the new Charter was to give responsibility for this sick leave provision to the Civil Service Commission. According to Mr. Phil Ginsburg of the City Attorney's Office, Civil Service Commission Rule 120 provides that no reimbursement for any unused sick leave after 1978 is permitted, except as determined by collective bargaining, and that the subject MOUs are the result of such collective bargaining, and are therefore permitted. Furthermore, Mr. Ginsburg advises that in 1999, the City approved such cash provisions for unused sick leave in the Police and Fire MOUs.

4. As shown in Attachment II, provided by the Controller's Office, the Controller's Office estimates that the proposed MOU will cost the City an additional \$2,900,698 in FY 2001-2002 and

\$5,161,267 in FY 2002-2003 for a cumulative total cost of \$8,061,965 over the two-year MOU period.

However, as noted by the Controller's Office, these estimates do not include the additional four hours of parental leave and up to eight hours of time off for employees to attend retirement planning seminars. There may also be some overtime savings to offset some of these costs in the future, from the proposed provision to exclude sick leave time from the determination of eligibility for overtime pay. Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for most of the subject increases would be the General Fund Salary and Benefits Reserve Fund to be included in the proposed FY 2001-2002 budget.

5. The estimated costs of all the subject MOUs being considered by the Board of Supervisors, at this time, for FY 2001-2002 is \$11,710,098. The estimated costs of these MOUs for FY 2002-2003 is \$20,993,555 and the total cumulative two-year costs of these MOUs is \$32,703,653, as shown below:

	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
Skilled Nursing	0	0	0 ¹
Building Inspectors	\$345,463	\$718,843	\$1,064,306
Crafts	7,547,696	14,792,438	22,340,134
Unrepresented Employees	748,304	Not Part of This MOU	748,304 ²
Institutional Police	87,780	154,297	242,077
Stationary Engineers	2,900,698	5,161,267	8,061,965
Supervising Probation Officers	<u>80,157</u>	<u>166,710</u>	<u>246,867</u>
Total	\$11,710,098	\$20,993,555	\$32,703,653

6. Despite the explanation provided above by Mr. Holtzman and Mr. Ginsburg, the Budget Analyst questions whether the San Francisco voters in 1995 would have approved an undisclosed provision in

¹ To be fully funded with State MediCal reimbursements.

² Unrepresented employees MOU would be effective July 1, 2001 through June 30, 2002, for only one year.

the new Charter to eliminate the prohibition of lump sum payments for unused sick leave to employees upon retirement, especially given that voters had previously approved this prohibition in a prior Charter Amendment.

Recommendation: Approval of this ordinance is a policy matter for the Board of Supervisors

Stationary Engineers, Local 39

Job Class	Job Class Title	No. of Positions
5148	WATER OPERATIONS ANALYST.....	3
5149	SUPT OF WATER TREATMENT FACILITIES.....	3
7120	BUILDINGS AND GROUNDS MAINTENANCE SUPT..	14
7203	BUILDING AND GROUNDS MAINTENANCE SUPV...	1
7203	BUILDING AND GROUNDS MAINTENANCE SUPV...	1
7205	CHIEF STATIONARY ENGINEER.....	19
7223	CABLE MACHINERY SUPERVISOR.....	1
7245	CHIEF STATIONARY ENGR, WATER TRMNT PLT..	7
7252	CHIEF STATIONARY ENGINEER, SEWAGE PLANT.	18
7262	MAINTENANCE PLANNER.....	20
7286	WIRE ROPE CABLE MAINTENANCE SUPV.....	1
7333	APPRENTICE STATIONARY ENGINEER.....	22
7334	STATIONARY ENGINEER.....	238
7335	SENIOR STATIONARY ENGINEER.....	49
7339	APPRE STATIONARY ENGR, WATER TRMT PLANT.	5
7341	STATIONARY ENGINEER, WATER TRMNT PLANT..	31
7343	SR STATIONARY ENGR, WATER TREMNT PLANT..	16
7372	STATIONARY ENGINEER, SEWAGE PLANT.....	140
7373	SENIOR STATIONARY ENGINEER, SEWAGE PLANT	48
7375	APPRENTICE STATIONARY ENGR, SEWAGE PLANT	22
7420	BRIDGETENDER.....	6
7472	WIRE ROPE CABLE MAINTENANCE MECHANIC....	11
9232	AIRPORT MECHANICAL MAINTENANCE SUPV.....	1
Total		677

Source: Controller's Office



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
ControllerMatthew H. Hyme
Chief Assistant Controller

April 18, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number: 010559
Amendment to Memorandum of Understanding with the International Union of Operating Engineers, Stationary Engineers Local 39

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the Memoranda of Understanding between the City and County of San Francisco and the Stationary Engineers Local 39. The amendment covers the period July 1, 2001 through June 30, 2003, and affects 677 budgeted positions with an overall pay and benefits base of approximately \$42.7 million, and a salary base of approximately \$41.0 million.

Based on our analysis, the amendments will result in incremental costs of approximately \$2.9 million in FY 2001-2002, and \$2.3 million in FY 2002-2003. The amendments will result in cost increases of approximately 6.8% above the overall pay and benefits base (7.1% above base salaries) in FY 2001-2002 and 5.3% above the overall pay and benefits base (5.3% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

The MOU includes language specifying that employees in this bargaining unit who are deemed to be "service critical" by the Municipal Transportation Authority (Muni) will be eligible to receive performance and attendance incentives pursuant to Charter Section 8A.104 (Proposition E). These performance and attendance incentives will be paid from Muni funds and will have no general fund impact. Individuals would be eligible to receive a maximum of \$1,500 annually if all group and division goals in their unit are achieved.

In addition to the wage and benefit provisions in Attachment A, the MOU provides four hours of parental leave and up to eight hours of release time for employees to attend retirement planning seminars. These provisions may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for these provisions at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during

the upcoming fiscal year, there will be additional overtime and productivity costs for this bargaining unit. Finally, the MOU includes a provision excluding sick leave hours when determining eligibility for overtime which will result in some overtime savings to the city in future years.

If you have additional questions or concerns please contact me or Peg Stevenson of my staff at 554-7500.

Sincerely,

Peg Stevenson
Edward M. Harrington *for*
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Stationary Engineers Local 39
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Cos's/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$1,642,039	
2.5% on July 1, 2002, 2% on January 4, 2003		\$1,930,422
Health		
Increased dependent coverage to 75% of Kaiser index	229,392	0
Premium and Special Pays		
Night duty, lead worker, and correctional facilities premiums	424,825	250
Training-Related Premiums		
Multiple licenses, apprenticeship fund, and tuition reimbursement	22,200	0
Pilot Wellness Program		
2.5% of accrued sick leave if retiring after July 1, 2002	0	21,351
Additional Floating Holiday	198,418	9,425
Wage-Related Fringe Increases	383,823	299,121
Total Estimated Incremental Costs	<u>\$2,900,698</u>	<u>\$2,260,569</u>
Annual Amount Above 2000-2001 Level	\$2,900,698	\$5,161,267
Cumulative Total Above 2000-2001 Provisions		\$8,061,965
Incremental Cost % of 2000-2001 Total Pay & Benefits	6.8%	5.3%
Incremental Cost % of Base Salary	7.1%	5.3%

Department: Department of Human Resources (DHR)

Items: Ordinance adopting and implementing the Memorandum of Understanding between the International Union of Operating Engineers, Local 3, Bargaining for Supervising Probation Officers, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003

Description: The proposed Memoranda of Understanding (MOU) between the International Union of Operating Engineers, Local 3, Bargaining for Supervising Probation Officers, and the City and County of San Francisco is the successor agreement to the four-year existing MOU, extending from July 1, 1997 through June 30, 2001. The proposed two year MOU, which is effective from July 1, 2001 through June 30, 2003, covers 3 classifications, comprising a total of 23 positions as follows:

<u>Class</u>	<u>Position</u>	<u>Number of Positions</u>
8414	Supervising Probation Officer, Juvenile Court	8
8415	Supervising Probation Officer, Juvenile Probation	3
8434	Supervising Adult Probation Officer	12
<u>Total</u>		<u>23</u>

**Major Economic
Provisions:**

The major economic changes of the proposed new MOU from the existing MOU include the following:

Wage Increase

The proposed MOU would provide wage increases, totaling 10 percent over the two-year period to all covered employees as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
July 1, 2002	2.5%
January 4, 2003	2.5%
Total	10%

One-Time Wage Adjustment

The proposed MOU contains a one-time wage adjustment for all represented classifications of 5 percent, effective July 1, 2001. Therefore, the total wage increase would be 15 percent over the 2-year period (10 percent wage increase plus five percent internal wage adjustment), or an average of 7.5 percent per year over the two-year MOU period. The total wage increase effective on July 1, 2001 would be 8 percent, including the 3 percent wage increase and the 5 percent one-time wage adjustment. According to Ms. Alice Villagomez of the Department of Human Resources, the one-time 5 percent internal wage adjustment results from a market survey conducted by R&G Consulting January of 2001, which showed that all three represented classifications currently receive compensation that is 9.7 percent below the market standard.

Other Wage Adjustments

The proposed MOU with Operating Engineers, Local 3 Bargaining for Supervising Probation Officers contains language, mandating a salary differential of at least ten percent between: (a) the maximum base wage salary for the 8414 Supervising Probation Officer, Juvenile Court and 8434 Supervising Adult Probation Officer, and (b) the maximum base wage salary received by the lower classification of Deputy Probation Officer. In addition any salary increases for the classes 8414 Supervising Probation Officer and 8434 Supervising Adult Probation Officer would apply to the 8415 Senior Supervising Probation Officer, Juvenile Court. The Budget Analyst notes that any wage increases for the lower classification of Deputy Probation Officer may trigger salary

increases for the higher classifications discussed above.

Shift Differential

The shift differential would increase from 6.25 percent for hours worked between 5 p.m. to 7 a.m. to 8.5 percent of base pay for work performed between 5 p.m. and midnight and 10 percent of base pay for work performed between midnight and 7 a.m., an increase of 2.25 percent and 3.75 percent, respectively.

Acting Assignment Pay

The provisions regarding acting assignment pay in the subject MOU has been modified, reducing the number of days to qualify for acting assignment pay and creating parity across the bargaining units. Under the proposed language, acting assignment pay would begin on the 11th day of the assignment, rather than on the 21st day of the assignment, and the increased pay would be retroactive to the first day of the assignment. According to Ms. Villagomez, the proposed acting assignment pay provision is consistent with acting assignment pay provisions currently included in the SEIU Locals 250, 535, and 790, and the IFPTE Local 21 MOUS with the City and County of San Francisco.

Bilingual Premium

The proposed MOU contains new language for a bilingual premium of \$50 biweekly. This premium would be paid to employees in a "designated bilingual position," requiring translation to and from a foreign language or sign language.

Overtime Pay

The proposed MOU contains new language to exclude sick leave days off in determining eligibility for overtime pay for employees who work more than 40 hours per week.

Medical Benefits

Currently, the City pays \$225 per month for dependent health care coverage. Under the

proposed MOU, the City's contribution would increase from a flat rate of \$225 per month to a formula equal to 75 percent of the cost of the Kaiser Health Plan rate for two or more dependents. In FY 2001-2002, 75 percent of the Kaiser Health Plan rate for two or more dependents would equal \$279 per month, which is an increase in the amount that the City pays for dependent health care coverage of \$54 per month (\$279 less \$225). According to Ms. Villagomez, the proposed medical benefit changes are consistent with provisions in the existing MOUs with SEIU, Locals 250, 535, and 790, IFPTE, Local 21, Fire Fighters Union, Local 798, and the Management Employees Association.

The proposed MOU contains language codifying the existing practice of the City contributing all of the premium for the employee's own health care benefit coverage for those employees who do not receive dependent health care benefits. Ms. Villagomez advises that this provision was implemented on July 1, 1997, as required by the existing MOU, which states that: "If the City reaches agreements with other unions representing at least half of the City's employees to provide increased health benefits for single employees and the agreements are not in lieu of wage increases, the same health benefit increases shall be applied to single employees covered by this Agreement, effective the same payroll period that the benefit is extended to more than half the City's employees."

Additionally, the proposed MOUs contains updated language to confer with changes in the Administrative Code, specifying that the employee is responsible to pay the total monthly health care premium if not in active service for more than 12 weeks and not on sick leave or approved disability status.

Retirement Benefits

The proposed MOU contains new language to confirm that the City would cover the full cost of the covered employee's retirement contribution to the San Francisco Employee Retirement System

BOARD OF SUPERVISORS

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(SFERS) or the Public Employee Retirement System (PERS). Ms. Villagomez states that this new language is consistent with language in the City's existing MOUs with SEIU, Locals 250, 535, and 790. Previously, for PERS participants, the City covered 83.3 percent of the employee's contribution.

Time Off for Retirement Seminar

The proposed MOU contains language to provide one day of paid time during the term of the subject MOU to permit all covered employees to attend a pre-retirement planning seminar, sponsored by SFERS or PERS.

Pilot Wellness Incentive Program

The proposed MOU contains language establishing a pilot wellness program as an incentive to decrease the use of sick leave. Under the proposed pilot wellness program, the employee would be able to receive a lump-sum cash payment upon retirement for unused sick leave, based upon the employee's salary rate and years of service. The program enables covered employees to receive 2.5% of accrued sick leave credits times the number of whole years of continuous years of service times the employee's salary rate upon retirement.

As noted above, Ms. Villagomez states that the pilot wellness incentive program and the proposed language to exclude sick leave from determining eligibility for overtime, are part of the City's effort to decrease the use of unscheduled sick leave and to provide incentives to reduce the amount of sick leave use (See Comment No. 3).

Volunteer Parent Release Time

The subject MOU contains language, granting covered employees 4 hours of paid time off each fiscal year to attend parent teacher conferences. In addition, covered employees may receive up to 40 hours each fiscal year of unpaid time off to attend school activities. According to Ms. Villagomez, this proposed language has previously been included in the other agreements between the City and the

labor unions. Employees who do not have children receive no alternative benefit, according to Ms. Villagomez.

Major Non-Economic Provisions:

The major non-economic changes of the proposed new MOU from the existing MOU are as follows:

Personnel Files

The proposed MOU has modified existing language to allow covered employees to request that personnel file documents regarding disciplinary actions more than two years old be sealed. Under the proposed MOU, the modified language would exclude sealing of disciplinary documents under specific conditions. If the discipline resulted from misappropriation of funds, misuse or destruction of public property, misconduct stemming from drug or alcohol abuse, serious mistreatment of other individuals, felony or misdemeanor convictions involving moral turpitude, and public health or safety risks files may not be sealed. According to Ms. Villagomez, the new language codifies existing practice and creates uniformity among the MOUs.

Past Practices

The subject MOU contains new language, stating that all past practices and understandings not specifically contained within the MOU would no longer be enforceable.

Comments:

1. According to Ms. Villagomez, although the subject MOU would provide significant wage and benefit increases for City employees, the proposed MOU would also achieve the following three City objectives:

- The City has attempted to address employee attendance issues by (a) excluding sick leave time taken off in being eligible to receive overtime pay and (b) implementing the Pilot Wellness Incentive Program.

- The City has codified existing past practices into the proposed MOUs and added language, stating that all past practices and understandings not specifically contained within the MOU would no longer be enforceable.
- The City has included language into the subject MOU to streamline the grievance procedure, creating uniformity between the subject MOU and other City MOUs in the grievance steps and timelines.
- The City has included more consistency between the subject MOU and other City MOUs in order to provide more equitable benefits for City employees and for DHR to realize greater efficiencies in managing these contracts.

2. Ms. Villagomez advises that over the years, DHR has attempted to negotiate comparable provisions in the various MOUs with labor unions, such as new language to exclude sick leave time take off in determining eligibility for overtime pay for employees who work more than 40 hours per week.

3. According to Ms. Villagomez, the Pilot Wellness Incentive Program is a new provision included in the proposed MOU between the City and the bargaining units to provide an incentive to decrease City employee's use of sick leave. Under the proposed Pilot Wellness Incentive Program, employees would be able to receive a cash payment upon retirement for unused sick leave, based on the employee's salary rate and the number of years of service. However, the Budget Analyst notes that in November of 1978, the voters of San Francisco approved a Charter Amendment, which became Charter Section 8.363, which stated that after 1978, employees hired by the City would not be entitled to receive cash payments or compensation of any type for accumulated unused sick leave.

On November 7, 1995, the voters of San Francisco approved a new Charter for the City and County of

San Francisco. The current Charter does not contain this earlier voter-approved Charter Amendment prohibiting any compensation for unused sick leave. The Budget Analyst notes that a review of the Voter Information Pamphlet from the November 7, 1995 election does not mention that this provision would be eliminated from the new Charter, and in fact, states under the Section on Employee Retirement and Health Service System, that the "proposed revision would make no significant changes in these areas". The Budget Analyst questions whether the voters would have approved such a provision in the new Charter to eliminate the preclusion of lump sum unused sick leave payments to employees upon retirement, if the voters had been advised of such facts. That Charter Amendment previously approved by the voters had resulted in significant cost savings to the City.

Mr. John Holtzman of the Mayor's Office advises that the intention of the new Charter was to give responsibility for this sick leave provision to the Civil Service Commission. According to Mr. Phil Ginsburg of the City Attorney's Office, Civil Service Commission Rule 120 provides that no reimbursement for any unused sick leave after 1978 is permitted, except as determined by collective bargaining, and that the subject MOUs are the result of such collective bargaining, and are therefore permitted. Furthermore, Mr. Ginsburg advises that in 1999, the City approved such cash provisions for unused sick leave in the Police and Fire MOUs and the Municipal Transportation Agency employees received similar provisions in 2000.

4. As shown in the Attachment, provided by the Controller's Office, the Controller's Office estimates that the proposed MOU will cost the City an additional \$80,157 in FY 2001-2002 and \$166,710 in Fiscal Year 2002-2003 and a cumulative total of \$246,867 over the two-year period of the agreement. However, as noted by the Controller's Office, these estimates do not include the

BOARD OF SUPERVISORS

BUDGET ANALYST

additional four hours of parental leave and up to eight hours of time off for employees to attend retirement planning seminars. There may also be some overtime savings to offset some of these costs in the future, from the proposed provision to exclude sick leave time from the determination of eligibility for overtime pay.

Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for Fiscal Year 2001-2002 would be the General Fund Salary and Benefits Reserve Fund included in the proposed FY 2001-2002 budget.

5. The estimated costs of all the subject MOUs being considered by the Board of Supervisors, at this time, for FY 2001-2002 is \$11,710,098. The estimated costs of these MOUs for FY 2002-2003 is \$20,993,555 and the total cumulative two-year costs of these MOUs is \$32,703,653, as shown below:

	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
Skilled Nursing	0	0	0 ¹
Building Inspection	\$345,463	\$718,843	\$1,064,306
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Total	\$11,710,098	\$20,993,555	\$32,703,653

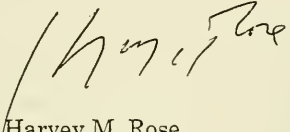
6. Despite the explanation provided above by Mr. Holtzman and Mr. Ginsburg, the Budget Analyst questions whether the San Francisco voters in 1995 would have approved an undisclosed provision in the new Charter to eliminate the prohibition of lump sum payments for unused sick leave to

¹ To be fully funded with State MediCal reimbursements.

² Unrepresented employees MOU would be effective July 1, 2001 through June 30, 2002, for only one year.

employees upon retirement, especially given that voters had previously approved this prohibition in a prior Charter Amendment.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors



Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick
Clerk of the Board
Controller
Stephen Kawa



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
Controller

Matthew H. Hymel
Chief Assistant Controller

April 18, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number: 010584
Amendment to Memoranda of Understanding with Operating Engineers Local Union No. 3,
Supervising Probation Officers

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and the Operating Engineers Local Union No. 3, Supervising Probation Officers. The amendment covers the period July 1, 2001 through June 30, 2003, and affects approximately 23 budgeted positions with an overall pay and benefits base of approximately \$1.7 million and a salary base of approximately \$1.5 million.

Based on our analysis, the amendments will result in incremental costs of approximately \$80,200 in FY 2001-2002, and \$86,600 in FY 2002-2003. The amendments will result in cost increases of approximately 4.7% above the overall pay and benefits base (approximately 5.3% above salary base) in FY 2001-2002 and approximately 5.1% above the overall pay and benefits base (5.8% above salary base) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides four hours of parental leave and up to eight hours of release time for employees to attend retirement planning seminars. These provisions may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for these provisions at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there will be additional overtime and productivity costs for this bargaining unit. Finally, the MOU includes a provision excluding sick leave hours when determining eligibility for overtime which will result in some overtime savings to the city in future years.

If you have additional questions or concerns please contact me or Peg Stevenson of my staff at 554-7500.

Sincerely,

M. Hymel for
Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Flose, Budget Analyst

Attachment A
 Supervising Probation Officers Local 3
 Estimated Costs FY 2001-2002 to FY 2002-2003
 Controller's Office

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$80,106	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$74,945
Health		
Increased dependent coverage to 75% of Kaiser index	7,128	
Long Term Disability		
60% of salary up to 65	3,757	178
Wage-Related Fringe Increases	9,166	11,429
Total Estimated Incremental Costs	<u>\$80,157</u>	<u>\$86,553</u>
Annual Amount Above 2000-2001 Level	\$80,157	\$166,710
Cumulative Total Above 2000-2001 Provisions		\$246,867
Incremental Cost % of 2000-2001 Total Pay & Benefits	4.7%	5.1%
Incremental Cost % of Base Salary	5.3%	5.5%



City and County of San Francisco
Meeting Minutes
Audit, Labor and Government Efficiency
Committee

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, April 24, 2001

1:00 PM

City Hall Room 263

Regular Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

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Meeting Convened

The meeting convened at 1:07 pm.

010556 [MOU Amendment No. 2 - Carpenters, Local 22]

Ordinance implementing Amendment No. 2 to the 1997-2001 Memorandum of Understanding between the Carpenters, Local 22 and the City and County of San Francisco by adding a new section to Article III.E. Additional Compensation which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities. (Human Resources Department)

3/28/01. RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. March 4, 2001: Department of Human Resources submitted a replacement ordinance to correct format errors, at the request of the Clerk's Office.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010557 [MOU Amendment No. 2 - United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local 38]

Ordinance implementing Amendment No. 2 to the 1997-2001 Memorandum of Understanding between the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local No. 38 and the City and County of San Francisco by adding a new section to Article III.E. Additional Compensation which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities. (Human Resources Department)

3/28/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. March 4, 2001. Department of Human Resources submitted a replacement ordinance to correct format errors, at the request of the Clerk's Office.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010558 [MOU Amendment No. 5 - Laborers International Union, Local 261]

Ordinance implementing Amendment No. 5 to the 1997-2001 Memorandum of Understanding between the Laborers International Union, Local 261 and the City and County of San Francisco by adding a new section to Article III.E. Additional Compensation which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities. (Human Resources Department)

3/28/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. March 4, 2001: Department of Human Resources submitted a replacement ordinance correct format errors, at the request of the Clerk's Office.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010559 [MOU Amendment No. 2 - International Union of Operating Engineers Stationary Engineers, Local 39]

Ordinance implementing Amendment No. 2 to the 1998-2001 Memorandum of Understanding between the International Union of Operating Engineers Stationary Engineers, Local 39 and the City and County of San Francisco by adding a new section to Article III.C. Special Pay Provisions which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities. (Human Resources Department)

3/28/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. March 4, 2001: Department of Human Resources submitted a replacement ordinance to correct format errors, at the request of the Clerk's Office.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010560 [MOU Amendment No. 1 - Painters Union District Council #8, Local 4]

Ordinance implementing Amendment No. 1 to the 1997-2001 Memorandum of Understanding between the Painters Union District Council #8 for Local 4 and the City and County of San Francisco by adding a new section to Article III.E. Additional Compensation which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities. (Human Resources Department)

3/28/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. March 4, 2001: Department of Human Resources submitted a replacement ordinance to correct format errors, at the request of the Clerk's Office.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010562 [MOU Amendment No. 4 - International Brotherhood of Electrical Workers, Local 6]

Ordinance implementing Amendment No. 4 to the 1997-2001 Memorandum of Understanding between the International Brotherhood of Electrical Workers, Local 6 and the City and County of San Francisco by adding a new section to Article III.E. Additional Compensation which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities. (Human Resources Department)

3/28/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. March 4, 2001: Department of Human Resources submitted a replacement ordinance to correct format errors, at the request of the Clerk's Office.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010565 [MOU, Bricklayers, Local 3 and Hod Carriers, Local 36]

Ordinance adopting and implementing the Memorandum of Understanding between the Bricklayers, Stone Masons, Terrazo Mechanics, Marble Masons, Pointers, Caulkers and Cleaners, Local 3 and Hod Carriers, Local 36 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010566 [MOU, Building Inspectors (Classes 6331 and 6333)]

Ordinance adopting and implementing the Memorandum of Understanding between the Building Inspectors' Association and the City and County of San Francisco (for Class 6331, Building Inspector and Class 6333, Senior Building Inspector) to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010567 [MOU, Building Inspector (Class 6334)]

Ordinance adopting and implementing the Memorandum of Understanding between the Building Inspectors' Association and the City and County of San Francisco (for Class 6334, Chief Building Inspector) to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010568 [MOU, Carpenters, Local 22]

Ordinance adopting and implementing the Memorandum of Understanding between the Carpenters, Local 22 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010569 [MOU, Cement Masons, Local 580]

Ordinance adopting and implementing the Memorandum of Understanding between the Cement Masons, Local 580 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010571 [MOU, Glaziers, Local 718]

Ordinance adopting and implementing the Memorandum of Understanding between the Glaziers, Architectural Metal and Glass Workers, Local 718 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010572 [MOU, International Alliance of Theatrical Stage Employees, Local 16]

Ordinance adopting and implementing the Memorandum of Understanding between the International Alliance of Theatrical Stage Employees, Local 16 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller, Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010574 [MOU, Ironworkers, Local 377]

Ordinance adopting and implementing the Memorandum of Understanding between the International Association of Bridge, Structural Ornamental, Reinforced Iron Workers, Riggers and Machinery Movers, Local 377 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller, Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010575 [MOU, Laborers, International Union, Local 261]

Ordinance adopting and implementing the Memorandum of Understanding between the Laborers International Union, Local 261 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010576 [MOU, Operating Engineers, Local 3]

Ordinance adopting and implementing the Memorandum of Understanding between the Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010577 [MOU, Painters, Local 4]

Ordinance adopting and implementing the Memorandum of Understanding between the Painters Union District Council #8 for Local 4 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010578 [MOU, Pile Drivers, Local 34]

Ordinance adopting and implementing the Memorandum of Understanding between the Pile Drivers, Divers, Carpenters, Bridge, Wharf and Dock Builders, Local 34 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010579 [MOU, Plasterers and Shophands, Local 66]

Ordinance adopting and implementing the Memorandum of Understanding between the Plasterers' and Shophands', Local 66 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010580 [MOU, Plumbers, Local 38]

Ordinance adopting and implementing the Memorandum of Understanding between the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local #38 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010581 [MOU, Roofers, Local 40]

Ordinance adopting and implementing the Memorandum of Understanding between the United Union of Roofers, Waterproofers and Allied Workers, Local 40 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010582 [MOU, Sheet Metal Workers, Local 104]

Ordinance adopting and implementing the Memorandum of Understanding between the Sheet Metal Workers International Union, Local 104 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010585 [MOU, Teamsters, Local 350]

Ordinance adopting and implementing the Memorandum of Understanding between the Sanitary Truck Drivers and Helpers, Teamsters, Local 350 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010586 [MOU, Teamsters, Local 853]

Ordinance adopting and implementing the Memorandum of Understanding between the Teamsters, Local 853 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Ed Harrington, Controller; Philip Ginsburg, Deputy City Attorney; Ted Lakey, Deputy City Attorney; John Holtzman, Mayor's Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources; Jeff Rothman, Employee Relations Division; Sam Marway; Carol Isrind; Walter Johnson, San Francisco Labor Council.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010587 [MOU, Unrepresented Employees]

Ordinance fixing compensation for persons employed by the City and County of San Francisco whose compensations are subject to the provisions of Section A8.409 of the Charter, in classes not represented by an employee organization, and establishing Working Schedules and Conditions of Employment and Methods of Payment, effective July 1, 2001. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. March 4, 2001: Department of Human Resources submitted a replacement ordinance to correct format errors, at the request of the Clerk's Office

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Jeff Rothman, Employee Relations Division.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010573 [MOU, Institutional Police Officers Association]

Ordinance adopting and implementing the Memorandum of Understanding between the San Francisco Institutional Police Officers' Association and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst Office; Alice Villagomez, Deputy Director, Employee Relations Division, Human Resources.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010583 [MOU, Stationary Engineers, Local 39]

Ordinance adopting and implementing the Memorandum of Understanding between the International Union of Operating Engineers, Stationary Engineers, Local 39 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speaker: Debra Newman, Budget Analyst Office; Jeff Rothman, Employee Relations Division.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010584 [MOU, Supervising Probation Officers, Local 3]

Ordinance adopting and implementing the Memorandum of Understanding between Operating Engineers, Local 3 Bargaining for Supervising Probation Officers and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. March 4, 2001: Department of Human Resources submitted a replacement ordinance to correct format errors, at the request of the Clerk's Office.

Heard in Committee. Speaker: Debra Newman, Budget Analyst Office; Les Liberman.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010552 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Yvette Augmon, et al. against the City and County of San Francisco for \$103,000.00; the lawsuit was filed on October 29, 1999 in United States District Court, Case No. C99-4779 MMC; entitled Yvette Augmon et al. v. City and County of San Francisco. (City Attorney)

3/30/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010611 [Settlement of Lawsuit]

Ordinance authorizing settlement of all claims against the City and County of San Francisco in a lawsuit filed by Lupe Cortez for \$30,000. The lawsuit was filed on November 19, 1999, in Superior Court, Case No. 308-016, entitled Lupe Cortez, et al., v. City and County of San Francisco, et al.; other material terms of said settlement are that defendants Hawk Ling Lou and the Ketty F. Lou Revocable Trust will settle plaintiff's claims against them in this matter also for \$30,000. (City Attorney)

4/4/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010612 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Carolyn L. Stowers against the City and County of San Francisco for \$77,000; the lawsuit was filed on April 14, 1999 in the United States District Court, Northern District of California; Case No. C99-1857-VRW; entitled Carolyn L. Stowers, et al.; v. City and County of San Francisco, et al. (City Attorney)

4/4/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

Report on Closed Session.

Deputy City Attorney Ted Lakey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

ADJOURNMENT

The meeting adjourned at 3:32 pm.

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CITY AND COUNTY



OF SAN FRANCISCO DOCUMENTS DEPT.

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

MAY - 7 2001

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May 3, 2001

TO: Audit, Labor & Government Efficiency Committee
FROM: Budget Analyst
SUBJECT: May 8, 2001 Audit, Labor & Government Efficiency Committee Meeting

Item 2 - File 01-0502

Item: Hearing to review the decision of the Port Commission to purchase a Luxury Suite at Pacific Bell Park.

Description: On March 13, 2001 the Port Commission approved a resolution authorizing Port staff to purchase the rights and tickets to a Luxury Suite at Pacific Bell Park at a cost of \$186,950, including \$120,000 to pay the license fee for the Luxury Suite and \$66,950 to purchase 12 season tickets and four season guest passes¹, for the 2001 season. The Luxury Suite can accommodate 16 people. In addition, the Port Commission authorized the Port to purchase this Luxury Suite and the 12 season tickets and four guest passes each year for the next seven years, for a total of eight-years. The Luxury Suite and the 12 season tickets and four guest passes are limited to a three percent annual increase in costs, over the eight-year period. As stated in Attachment I, provided by the Port, the Port Commission elected to purchase the Luxury Suite and accompanying 12 season tickets and four guest passes in order to "promote the Port to its customers,

¹ Each guest pass permits the user to access the Luxury Suite, however, each guest pass user must have their own separate ticket to the game to enter Pacific Bell Park.

tenants, distinguished visitors and the public." In addition, the Port intended to share the Luxury Suite with the Mayor's Office for business development purposes, as stated in Attachment II, provided by the Port.

According to Mr. Benjamin Kutnick, Director of Finance and Administration at the Port, on March 16, 2001, a Luxury Suite License Agreement was executed between the Port and the China Basin Ballpark Company (the San Francisco Giants). At the same time, the Port paid \$186,950 to the China Basin Ballpark Company, including \$120,000 to acquire the Luxury Suite and \$66,950 to purchase the 12 season tickets and four guest passes for the 2001 baseball season. Mr. Kutnick advises that the Port charged the \$186,950 to the Port's Fiscal Year 2000-2001 budget for Entertainment and Promotion.

Comments:

1. The Budget Analyst notes that the Port's Fiscal Year 2000-2001 Entertainment and Promotion budget, which totaled \$322,200, as authorized by the Board of Supervisors, did not include \$186,950 for the purchase of a Luxury Suite and accompanying 12 season tickets and four guest passes at Pacific Bell Park. The Port's FY 2000-2001 budget only authorized \$32,000 for ten season tickets for the 2001 baseball season, but such tickets were not located in a Luxury Suite. According to Mr. Kutnick, the Luxury Suite and accompanying 12 season tickets and four guest passes were not included in the Port's FY 2000-2001 budget because the Port did not learn that a Luxury Suite was available at Pacific Bell Park until February of 2001, or approximately mid-way through Fiscal Year 2000-2001.

Therefore, Mr. Kutnick advises that the Port used its Entertainment and Promotion budget to fund the \$186,950 cost of the Luxury Suite by charging expenditures that would have otherwise been charged to the Entertainment and Promotion budget to other categories of the Port's budget, such as Equipment Rental, Advertising, and Professional Services, as stated in Attachment II. Attachment III, provided by Mr. Kutnick, identifies \$115,476 of expenditures that would normally have been charged to the Port's Entertainment

and Promotion budget, that the Port has already charged to other accounts within the Port's FY 2000-2001 budget. Mr. Kutnick advises that the Port will be able to absorb such additional costs by spending less in some other areas within the Port's Operating Budget of approximately \$46 million for FY 2000-2001. However, as of the writing of this report, Mr. Kutnick cannot specifically identify what Port budgeted items may be underspent or whether expenditures may have to be deferred or eliminated, if the proposed Luxury Suite and ticket expenditures are not reimbursed to the Port. Mr. Kutnick notes that all of the Port's expenditures, including the subject Luxury Suite and baseball tickets, are funded with Port Operating Revenues from Port leases, wharfage, dockage, other maritime activities, parking, etc.

The Budget Analyst reviews all City departments and revenue sources, and makes recommendations to the Board of Supervisors on the justification and merits of the requested expenditures, not based on whether the expenditures are funded with Port Operating Revenues, Airport Capital Expenditures or City General Fund Revenues.

2. According to Ms. Stephanie Downs of the Port, in addition to the subject Luxury Suite and its accompanying 12 tickets and four guest passes, beginning in Fiscal Year 1999-2000, the Port purchased 10 season tickets at Pacific Bell Park for the 2000 baseball season, for a total cost of \$91,192, including \$61,000 in one-time license fees for purchasing the rights to the seats and \$30,192 for the 10 season tickets for Fiscal Year 1999-2000 located in three different sections of the stadium.

However, none of these ten seats are located in a Luxury Suite. In addition, the Port included in its Fiscal Year 2000-2001 budget for the 2001 Giants baseball season an additional \$32,000 for the same ten season tickets, not located in a Luxury Suite. Mr. Kutnick advises that the Port actually spent \$32,975 to purchase the ten season tickets for the 2001 Giants baseball season, paying for the \$975 additional costs from the Port's Entertainment and Promotion budget.

Mr. Kutnick advises that the Port and the Mayor's Office currently share these ten season tickets, with four of the tickets allocated to the Port and six of the tickets allocated to the Mayor's Office. Therefore, to date, the Port has spent a total of \$311,117 (\$61,000 in one-time license fees for purchasing the rights to the ten season tickets plus \$30,192 for the ten season tickets for the 2000 baseball season plus \$32,975 for the ten season tickets for the 2001 baseball season plus the subject \$186,950 for the Luxury Suite and accompanying 12 season tickets and four guest passes) for tickets related to Giants baseball games played at Pacific Bell Park.

3. As shown in Attachment I, the March 7, 2001 memorandum from the Port Director to the Port Commission, in order to offset the \$186,950 cost of purchasing a Luxury Suite (\$120,000) and 12 season tickets with four guest passes (\$66,950) for the 2001 baseball season, the Port planned to sell six of the additional ten season tickets which it purchased during Fiscal Year 2000-2001.

The Budget Analyst notes that the ten season tickets were identified in the explanations provided with the Port's FY 2000-2001 budget. However, the Luxury Suite and the related 12 additional season tickets and four guest passes were not identified in any budget submission to the Board of Supervisors related to the Port's FY 2000-2001 budget.

According to Mr. Kutnick, selling the six season tickets for the 2001 baseball season would have reimbursed the Port a total of \$57,637, which includes selling the original related license fees for these tickets. Mr. Kutnick advises that the Port has not yet sold any of the six season tickets authorized for the 2001 baseball season, which the Department was proposing to sell.

4. On March 22, 2001, approximately one week after the Port Commission authorized the Port to enter into the Luxury Suite License Agreement and subsequent to the Port having paid the \$186,950 to the San Francisco Giants, the Port rescinded its action and decided to sell the Luxury Suite. As stated in Attachment II, provided by

the suite with the Mayor's Office for business development purposes. The Mayor's Office subsequently informed the Port that they will not be using the suite. While the Port could certainly use the suite for business development, it would not have use for all of the 84 Giants games. As a result, the Port decided to sell the luxury suite."

5. According to Mr. Jack Bair of the San Francisco Giants, the China Basin Ballpark Company has now offered to assist the Port in selling the Luxury Suite tickets on a game-by-game basis until the China Basin Ballpark Company and/or the Port can find a permanent buyer for the Luxury Suite and its accompanying 12 season tickets and four guest passes. Mr. Bair confirms that the China Basin Ballpark Company has agreed to make monthly payments to the Port based on \$797.02 for each home baseball game (\$66,950 paid to the China Basin Ballpark Company for the 12 season tickets and four guest passes divided by 84 home Giants games), regardless of whether the Luxury Suite is sold for the full value to other users for that particular home game, until a buyer is found to purchase the \$120,000 Luxury Suite and the accompanying 12 season tickets and four guest passes. According to Mr. Kutnick, there were 18 home games in April of 2001, such that at \$797.02 per game, the China Basin Ballpark Company currently owes the Port \$14,346.36. Mr. Bair agrees that the China Basin Ballpark Company currently owes such funds to the Port. Mr. Kutnick advises that, as of the writing of this report, the Port has not yet received any payments from the China Basin Ballpark Company for these tickets.

Mr. Kutnick advises that the Port hopes to sell the rights to the Luxury Suite for the full \$120,000 cost that the Port incurred for the Luxury Suite. In addition, Mr. Kutnick reports that the Port hopes to sell the accompanying 12 season tickets and four guest passes for the remaining number of games at their full value. According to Mr. Kutnick, the future buyer of the Luxury Suite and 12 season tickets and four guest passes would relieve the Port of any future year commitments related to the Luxury Suite. However, no buyer has been found by

the Port or the China Basin Ballpark Company, as of the writing of this report.

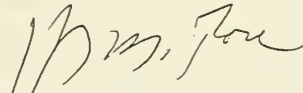
6. Mr. Kutnick advises that the Port now intends to retain the ten season tickets at Pacific Bell Park that the Department purchased in Fiscal Year 2000-2001, for the Giants 2001 baseball season. As noted above, these ten season tickets were previously authorized in the Port's FY 2000-2001 budget, at a cost of \$32,000, for which the Port actually spent \$32,975. In addition, Mr. Kutnick advises that the Port is including \$35,317 to retain these same ten season tickets in the Port's FY 2001-2002 budget, which will be subject to appropriation approval of the Board of Supervisors.

7. As shown in Attachment I, three of the four baseball stadiums in California surveyed by the Port are owned by local governments. In each of these three jurisdictions, the City governments receive complimentary use of luxury suites at their own City-owned stadiums for attending baseball games. Mr. Kutnick advises that when the Giants played at 3COM Park, which is owned by the City and managed by the Recreation and Park Department, the Recreation and Park Department had use of two complimentary luxury suites and the Mayor's Office had use of one complimentary luxury suite. However, in the matter which is the subject of this hearing, the Giants own the Pacific Bell Stadium and therefore the Luxury Suite and 12 season tickets and four guest passes must be purchased by the Port.

8. Since there was specific identification in the Port's FY 2000-2001 budget for \$32,000 to purchase ten season tickets, which were not located in a Luxury Suite, the Budget Analyst questions the Port's explanation that the Port subsequently purchased the Luxury Suite because they did not know it was available when the budget was approved. Clearly, there was no specific appropriation either in the budget or in a supplemental appropriation to purchase a Luxury Suite and the accompanying 12 season tickets and four guest passes for the Luxury Suite.

9. Although the Port states that upon the sale by the Port of the Luxury Suite and the 12 season tickets and four

guest passes, the Port would be "made financially whole", the Budget Analyst notes that there are no guarantees that the sale of the Luxury Suite will occur which is needed to make the Port financially whole. As of the writing of this report, neither the Port nor the China Basin Ballpark Company has identified a buyer to purchase the Port's Luxury Suite and the Port has not received any ticket revenues from the Giants for the 18 home games in April of 2001 .



Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick
Clerk of the Board
Controller
Stephen Kawa

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-16

- WHEREAS, The Port desires to market and promote the Port area, its tenants and customers; and
- WHEREAS, The Port has an opportunity to purchase the rights and tickets to Luxury Suite #60 at Pacific Bell Park for the next eight years; and
- WHEREAS, The license fee for rights to the luxury suite for eight years is \$120,000; and
- WHEREAS, Ticket cost for the 2001 season is \$66,950 and will increase at 3% per year with an eight-year commitment; and, now therefore be it
- RESOLVED, That the Port Commission hereby approves the recommended purchase of Luxury Suite #60 at Pacific Bell Park, and be it further
- RESOLVED, That the Port Commission hereby authorizes the Executive Director to enter into the Suite License Agreement with the San Francisco Giants in the form on file with the Port Commission Secretary, including paragraph 18 thereof requiring the Port to indemnify, defend and hold harmless the Giants for claims relating to the Port's use or occupancy of the luxury suite and ballpark, provided however that such indemnity shall be subject to the approval of the City's Risk Manager.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of March 13, 2001.

Secretary

MEMORANDUM

March 7, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Purchase of Luxury Suite at Pacific Bell Park

DIRECTOR'S RECOMMENDATION: NO RECOMMENDATION

The Port has been presented with an opportunity to purchase a Luxury Suite at Pacific Bell Park. The Luxury Suite, which will be shared with the Mayor's Office, provides the Port with an advantageous opportunity to promote the Port to its customers, tenants, distinguished visitors and the public.

A description and details of the Luxury Suite are summarized below:

Location:	Left Field
License Fee:	\$120,000 for 8 years
Ticket Price:	\$66,950 for 2001 plus 3% per year if sign for the maximum of 8 years
Seating:	Includes tickets for 12 seats and 4 guest passes for a total of 16. Eight additional tickets can be purchased at \$50 per ticket per game and are considered standing room. Users of guest passes must have their own ticket to the game to enter the stadium.
Parking:	Includes 2 parking passes
Events:	Rights to purchase tickets to non-baseball events.

This Print Covers Calendar Item No. 3B

Page 2

The Port currently has ten season tickets, six are Field Club seats, two in Section 110 and four in Section 117 and four Club Level seats located in Section 225. Staff recommends that the Port retain the four tickets in Section 117 and alternate the use of these tickets and the luxury suite with the Mayor's office. It has yet to be determined how the suite will be shared with the Mayor's Office.

A survey of four baseball stadiums indicates that three of the four stadiums in California are owned by the local government. Three of the four governments enjoy complimentary use of luxury suites.

Luxury Suite Survey

City	Team	Stadium Owned By	City Luxury Suite	Cost
Anaheim	Angels	City of Anaheim	Yes, Two Suites	\$0
Los Angeles	Dodgers	Dodgers	None	N/A
San Diego	Padres	City of San Diego	Yes	\$0
Oakland	Athletics	City of Oakland	Yes, Two Suites	\$0

Staff is recommending that the Port purchase the Luxury Suite Number 60 based on the unique ability of the Port to utilize it to promote the Port, its tenants and customers. Upon approval, the Port would enter into the Giants' Standard Luxury Suite License Agreement, a copy of which is on file with the Port Commission Secretary and is included herewith. Paragraph 18 of the License Agreement includes an indemnity clause requiring the Port to indemnify, defend and hold harmless the Giants for claims relating to the Port's use or occupancy of the luxury suite and ballpark, provided however that such indemnity shall be subject to the approval of the City's Risk Manager.

Prepared by: Benjamin A. Kutnick
Director of Finance



April 19, 2001

Ken Bruce
Office of the Budget Analyst
1390 Market Street, Room 1025
San Francisco, CA 94102

Dear Ken:

At its regular meeting on March 13, 2001, the Port Commission authorized staff to enter into a Suite License Agreement with the San Francisco Giants for Luxury Suite number 60 at Pacific Bell Park. The suite acquisition price was \$120,000 and the tickets for the 2001 season cost \$66,950. A total of \$186,950 was paid to the China Basin Ballpark Co. on March 16, 2001 and a Luxury Suite License Agreement was executed. The Port intended to sell six of the ten seats that it owns which would have partially offset the cost of the luxury suite. The face value of the six seats, including the license and tickets, is \$57,637 resulting in a net cost to the Port of \$129,313.

It was the Port Commission's intention to share the suite with the Mayor's Office for business development purposes. The Mayor's Office subsequently informed the Port that they will not be using the suite. While the Port could certainly use the suite for business development, it would not have use for all of the 84 Giants games. As a result, the Port decided to sell the luxury suite.

The \$186,950 cost was charged to the Port's promotional budget. The 2000/01 Port budget included \$32,000 for the ten season tickets, but no funds for the luxury suite since it was not anticipated at the time the budget was developed. The Port did not become aware that a luxury suite was available until February of this year.

The total Port promotion budget for 2000/01 is \$322,200. To be able to fund the purchase of the luxury suite, as desired by the Port Commission, certain expenditures that may have otherwise been charged to the promotional budget, were charged against other categories in the budget such as Equipment Rental, Advertising and Professional Services.

Regarding the current status of the license and tickets, the Giants have offered to assist the Port in selling them. The Giants have agreed to sell the suite tickets on a game-by-game basis until a permanent buyer is found, which they believe should be a few weeks. They have also agreed to pay the Port for each game, at an amount equal to the cost to the Port ($\$66,950/84 \text{ games} = \$797.02$) until a buyer for the suite is found. It is anticipated that as a result of this arrangement the Port will be made financially whole.

Please let me know if you have further questions.

Very Truly Yours,

Benjamin A. Kutnick
Director of Finance & Administration

Analysis of Promotional Expense
FY 2000-01

Description	Section	Vendor	Amount	Comments	Index Code	New subobj	Subobj Description	Amount
Sponsorship July4 Festival	0199	S F Newspaper Agency	15,000.00	s/b CPO728	390011	03199	Other equip rental	9,418.61
235 decorations - rental	0301	Green Valley Plant Rental	9,418.61		390011	03199	Other equip rental	2,475.51
Jun 17 triptleheader; temp phones a	0301	Pacific Bell	2,475.51		390011	03199	Other equip rental	1,898.75
235 decorations - rental	0302	Green Valley Plant Rental	1,898.75		390011	03199	Other equip rental	4,192.58
235 decorations - rental	0302	Hartman Studios	4,192.58		390011	03581	Advertising	12,705.50
Advertising	0302	Journal of Commerce	12,705.50		390011	03581	Advertising	2,042.55
Advertising	0302	Marine Digest	2,042.55		390011	03581	Advertising	2,495.00
Advertising	0302	Marine Exchange	2,495.00		390011	03581	Advertising	2,170.00
Advertising/booth at trade show	0302	Miller Freeman (Princeton)	2,170.00		390011	03581	Advertising	13,511.65
Advertising	0302	Pacific Shipper	13,511.65		390011	03581	Advertising	13,511.65
Sponsorship, Oct2000 Fleet Week	0404	Fleet Week 2000	15,000.00	s/b CPO728	390007	03541	Legislative	15,000.00
Cruise promo/legislative: US flag	0406	Cruising America Coalition	15,000.00		390007	02799	Other prof services	3,485.55
Holiday cards	0407	Maureen Erickson, Fine An	3,485.55		390007	02799	Other prof services	10,960.00
Development of promo materials	0701	MYA Kramer Design Grou	10,960.00		390007	02799	Other prof services	5,120.00
Aerial photography	0703	Bayside Video Productions	5,120.00		390007	02799	Other prof services	5,120.00
								<u>85,475.70</u>
								<u>115,475.70</u>

044



City and County of San Francisco

Meeting Minutes

Audit, Labor and Government Efficiency Committee

[All Committees]
Government Document Section
Main Library

San Francisco, CA
94102-4689

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, May 08, 2001

1:00 PM

City Hall Room 263

Regular Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

The meeting convened at 1:20 p.m.

REGULAR AGENDA

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MAY 11 2001

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010236 [Port Contract Practices]

Supervisor McGoldrick

Hearing to consider the contracting practices at the Port, with focus on the Pier 30-32 project for a cruise terminal.

2/5/01, RECEIVED AND ASSIGNED to Housing, Transportation and Land Use Committee.

5/1/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee. Transferred at the direction of the President.

Heard in Committee. Speakers: Supervisor McGoldrick; Douglas Wong, Executive Director, Port of San Francisco; Anne Cook, Manager, Waterfront Development Projects, Port; Peter Dailey, Maritime Director, Port; Jim Musbach; Supervisor Daly; James Haas; Rick Dickerson; Captain Leif Gistrand, Metropolitan Stevedore Company; Louise Bird; Toby Levine; Jerry Levine; Jeffrey Leibovitz; Carlos Afre; Roberto Estrada; Rick Mariano; Jane Winslow; Jared Eigerman.

FILED by the following vote:

Ayes: 2 - Daly, McGoldrick

Absent: 1 - Newsom

010502 [Port PacBell Park]

Supervisors McGoldrick, Newsom, Maxwell

Hearing on the decision of the Port Commission to purchase luxury sky boxes at PacBell Park.

3/19/01, RECEIVED AND ASSIGNED to Housing, Transportation and Land Use Committee.

5/1/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee. Transferred at the direction of the President.

Heard in Committee. Speakers: Supervisors McGoldrick; Deborah Newman, Budget Analyst's Office; Douglas Wong, Executive Director, Port of San Francisco; Ben Kutnick, Director, Finance and Administration, Port; Supervisor Daly; Supervisor Newsom; James Haas.

FILED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

ADJOURNMENT

The meeting adjourned at 3:46 p.m.

0.044
2/01
cancelled
BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

3
NOTICE OF CANCELLED MEETING

5
AUDIT, LABOR AND GOVERNMENT EFFICIENCY COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meeting of the Audit, Labor and Government Efficiency Committee scheduled for Tuesday, May 22, 2001 at 1:00 p.m. at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled.**

Gloria L. Young, Clerk of the Board

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MAY 18 2001

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AUDIT, LABOR AND GOVERNMENT EFFICIENCY COMMITTEE
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OF SAN FRANCISCO

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BOARD OF SUPERVISORS

JUN 12 2001

BUDGET ANALYST

SAN FRANCISCO

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461
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June 7, 2001

TO: Audit, Labor & Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: June 12, 2001 Audit, Labor & Government Efficiency Committee Meeting

Items 1 and 2 - Files 01-0564 and 01-0570

Department: Department of Human Resources (DHR)

Items: Item 1, File 01-0564

Ordinance implementing an arbitration award establishing the terms of the Memorandum of Understanding between the Peninsula Automotive Mechanics Lodge No. 1414, International Association of Machinists and Aerospace Workers, AFL-CIO, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 2, File 01-0570

Ordinance implementing an arbitration award establishing the terms of the Memorandum of Understanding between the International Brotherhood of Electrical Workers, Local 6, AFL-CIO, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Description: In April of 2001, the Board of Supervisors approved the Memoranda of Understanding (MOUs) for 18 of the 20 employee organizations comprising the Craft Coalition

(Files 01-0565 through 01-0569, 01-0571, 01-0572, 01-0574 through 01-0582, 01-0585 and 01-0586).

Two of the 20 employee organizations, Machinists Local 1414 and Electrical Workers Local 6, did not reach agreement with the City regarding their respective MOUs and were referred to an Arbitration Board, in accordance with San Francisco Charter Section A8.409. An arbitration award was issued regarding the subject Automotive Machinists MOU on May 18, 2001, and the Electrical Workers MOU on May 23, 2001.

The proposed ordinances would implement the arbitration awards establishing the terms of the MOUs for the Machinists Local 1414 (File 01-0564) and Electrical Workers Local 6 (File 01-0570).

Item 1, File 01-0564

The proposed MOU between Machinists Local 1414 and the City is the successor agreement to the existing MOU, which expires on June 30, 2001. The proposed two-year MOU, which is effective from July 1, 2001 through June 30, 2003, covers 26 classifications, comprising a total of 430 budgeted positions. A list of covered classifications is included in Attachment I, which was provided by DHR.

Item 2, File 01-0570

The proposed MOU between Electrical Workers Local 6 and the City is the successor agreement to the existing MOU, which expires on June 30, 2001. The proposed two-year MOU, which is effective from July 1, 2001 through June 30, 2003, covers 26 classifications, comprising a total of 790 budgeted positions. A list of covered classifications is included in Attachment II, which was provided by DHR.

Major Economic Provisions:

The major economic changes of the new subject MOU from the current MOU includes the following:

Wage Increase (Files 01-0564 and 01-0570)

The proposed MOU would provide wage increases, totaling 10% over the two-year period to all covered employees as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
July 1, 2002	2.5%
January 4, 2003	2.5%
Total	10.0%

Internal Wage Adjustments (File 01-0570)

In addition to the ten percent overall wage increases noted above, the proposed Electrical Workers Local 6 MOU contains internal wage adjustments for the following classifications, effective on July 1, 2001:

<i>Classification</i>	<i>Internal Wage Adjustment July 1, 2001</i>
7338 Electrical Line Worker 7371 Electric Transit System Mechanic 7390 Welder 7480 Power Generation Technician 7482 Power Generation Technician II 7484 Senior Power Generation Technician 7488 Power Generation Supervisor	1.5%
7244 Power Plant Supervisor I 7364 Power House Operator 7365 Senior Power House Operator 7408 Asst. Power House Operator 7510 Light Fixture Maintenance Worker	5.0%

The following classifications will receive an additional five percent internal adjustment on July 1, 2002, such that the wages for these classifications will increase by a total of between 16.5 percent to a total of 20 percent.

<i>Classification</i>	<i>Internal Wage Adjustment July 1, 2002</i>
7244 Power Plant Supervisor I 7364 Power House Operator 7365 Senior Power House Operator 7408 Asst. Power House Operator 7480 Power Generation Technician 7482 Power Generation Technician II 7484 Senior Power Generation Technician 7488 Power Generation Supervisor	5.0%

In addition to the wage adjustments for the classifications noted above, Class 9241 Airport Electrician Supervisor would receive an internal wage adjustment of 3.5 percent, effective July 1, 2001, for a total wage increase of 6.0 percent on July 1, 2001. According to Ms. Alice Villagomez of DHR, the purpose of this wage adjustment would be to ensure that a five percent wage differential is maintained between Class 9241 Airport Electrician Supervisor and the higher Class 9242 Head Airport Electrician.

Class 7371 Electric Transit System Mechanic (File 01-0570)

In addition to the wage adjustments noted above, the proposed MOU provides that the Municipal Transportation Agency (MTA) and the Electrical Workers Local 6 would meet and confer during the term of the MOU over creation of a new class, Class 7371 Electric Transit System Mechanic, for the servicing of Light Rail Vehicles, which would contain salary steps in addition to the five salary steps provided to covered employees. Under the terms of the proposed MOU, the pay rate for the new Class 7371 would include the 5.0 percent internal wage adjustment, which would be effective July 1, 2002. The Arbitrator would retain jurisdiction to resolve disputes over establishment of the new class regarding (a) the number of salary steps in the proposed new Class 7371, (b) the wage rate for the proposed new Class 7371, and (c) placement of employees at salary steps in the new Class 7371.

BOARD OF SUPERVISORS
BUDGET ANALYST

Acting Assignment Pay (Files 01-0564 and 01-0570)

Under the proposed Machinist Local 1414 MOU, acting assignment pay would begin on the 11th day of the assignment, rather than on the 21st day of the assignment, and the increased pay would be retroactive to the first day of the assignment (File 01-0564). Under the current Electrical Workers Local 6 MOU, acting assignment pay begins on the 11th day and under the proposed MOU such pay would be retroactive to the first day of the assignment (File 01-0570).

Lead Worker Pay (Files 01-0564 and 01-0570)

Lead worker pay would be increased from \$5 per day to \$9 per day in the first year of the proposed MOUs and to \$10 per day in the second year of the proposed MOUs. According to Ms. Villagomez, the lead worker pay rate is consistent with the provision of the other MOUs in the Craft Coalition.

Shift Differential (File 01-0570)

Under the proposed Electrical Worker Local MOU, the night shift differential would increase from the current rate of 8.0 percent of base pay for hours worked between 5 p.m. to 7 a.m. to (a) 8.5 percent of base pay for work performed between 5 p.m. and midnight, and (b) 10 percent of base pay for work performed between midnight and 7 a.m.

Standby Pay (File 01-0564)

The proposed Machinists Local 1414 MOU contains new language providing standby pay equal to 25 percent of base pay for hours on standby duty if no pager is provided by the Department and 10 percent of base pay for hours on standby duty if a pager is provided by the Department.

Overtime Compensation (File 01-0564 and 01-0570)

Under the proposed MOUs, use of sick leave hours would be excluded from the calculation of hours worked for the purposes of overtime. According to Ms. Villagomez, this new overtime compensation provision is part of the City's policy to limit the use of unplanned sick leave, which should result in some overtime savings for the City. Ms. Villagomez advises that this provision will provide incentives for employees to reduce the amount of sick

leave used (see "Pilot Wellness Incentive Program" below).

Medical Benefits (Files 01-0564 and 01-0570)

In the proposed MOUs, the amount of dependent health care coverage paid by the City would increase. Currently, the City pays \$225 per month for dependent health care coverage. Under the proposed MOUs, the City's contribution would increase from a flat rate of \$225 per month to a formula equal to 75 percent of the cost of the Kaiser Health Plan rate for two or more dependents. In FY 2001-2002, 75 percent of the Kaiser Health Plan rate for two or more dependents would equal \$279 per month, which is an increase in the amount that the City pays for dependent health care coverage of \$54 per month (\$279 less \$225). These proposed changes in the health benefits are consistent with the provisions of the other Craft Coalition MOUs.

State Disability Insurance (File 01-0564)

Employees covered by the Machinists Local 1414 MOU would be included in the State Disability Insurance (SDI) program at the employee's expense.

Release Time for Retirement Seminar (Files 01-0564 and 01-0570)

The proposed MOU contains language, providing one day of paid time off during the term of the subject MOU to attend a pre-retirement planning seminar, sponsored by San Francisco's Employees Retirement System (SFERS) or the State's Public Employees Retirement System (PERS).

Volunteer Parent Release Time (Files 01-0564 and 01-0570)

The proposed MOUs contain language, granting covered employees 4 hours of paid time off each fiscal year to attend parent teacher conferences. In addition, covered employees may receive up to 40 hours per fiscal year of unpaid time for school activities.

Pilot Wellness Incentive Program (Files 01-0564 and 01-0570)

The proposed MOU contains language establishing a Pilot Wellness Program as an incentive to decrease the use of sick leave. Under the Pilot Wellness Program, the employee would be able to receive a cash payment upon retirement for unused sick leave, based upon the employee's salary rate and years of service. The program enables covered employees to receive 2.5% of accrued sick leave credits times the number of whole years of continuous years of service times the employee's salary rate upon retirement

As noted above, Ms. Villagomez states that the proposed pilot wellness incentive program and the proposed language to exclude sick leave from determining eligibility for overtime, are part of the City's effort to decrease the use of unscheduled sick leave and to provide incentives to reduce the amount of sick leave use.

Municipal Transportation Agency Incentive Program (Files 01-0564 and 01-0570)

The subject MOUs contains language regarding the Municipal Transportation Agency (MTA) Incentive and Attendance Programs. Under these provisions, covered employees working in "service-critical" areas of the MTA would be eligible to participate in the incentive and attendance programs. Under the Incentive Program, eligible employees would receive bonuses ranging from \$30 to \$150 each quarter, based on established performance goals. Under the Attendance Program, eligible employees in MTA operations divisions who have not used more than 40 hours of sick leave in the calendar year may receive 2 to 3 days of paid time off. Eligible employees in MTA maintenance divisions who have not used more than 40 hours of sick leave in the calendar year may cash out up to 20 to 40 hours of unused sick leave.

**Skilled Nursing Facility Pass-through Premium
(File 01-0570)**

Pursuant to California Health and Welfare Code Section 14110.6, the State provides funds to the County to pay a wage premium to certain classifications assigned to skilled nursing facilities, such as Laguna Honda. The proposed Electrical Workers Local 6 MOU contains a provision, specifying that in no case will the total amount of the premium for all unions exceed the amount provided by the State and will continue only as long as the State provides these funds. According to Ms. Villagomez, the Skilled Nursing Facility Premium would be paid by State funds and would not result in any increased costs to the City.

**Major Non-Economic
Provisions:**

The major non-economic changes in the proposed MOUs as compared with the current MOUs are as follows:

Apprenticeship Program (File 01-0570)

Under the proposed MOU, the parties would discuss implementation of a mutually agreeable Apprenticeship Program.

**Anti-Nepotism Policy (MTA "service-critical"
employees) (Files 01-0564 and 01-0570)**

The proposed MOUs contain new language, prohibiting employees assigned to MTA and designated to be "service-critical" from applying for positions requiring them to report to or to supervise family members or domestic partners.

Past Practices (Files 01-0564 and 01-0570)

The subject MOUs contain new language, stating that all past practices and understandings not specifically contained within this MOU would no longer be enforceable.

Comments:

1. According to Ms. Villagomez, the Arbitration Board reviewed specific provisions of the two subject MOUs, including (a) internal wage adjustments for employees covered by the MOUs, (b) the exclusion of sick leave hours from the calculation of hours worked for the purposes of overtime, and (c) the language regarding past practices,

stating that all past practices not specifically contained within the MOU would no longer be enforceable. Pursuant to Administrative Code Section 16.216, the Arbitration Board's award is binding on both the City and the Unions. Therefore, the City must either approve the subject MOUs or file a legal challenge to the decisions of the Arbitration Board.

2. As noted in Comment 1, the internal wage adjustments provided in the Electrical Workers Local 6 MOU are part of the arbitration award submitted by the Arbitration Board on May 23, 2001, and are based upon the Arbitrator's acceptance of the Union's proposals for such internal wage adjustments.

3. As shown in Attachment III, provided by the Controller's Office, the proposed Automotive Machinists Local 1414 MOU (File 01-0564) is estimated to cost the City \$1,428,809 in FY 2001-2002 and an additional \$2,946,154 in FY 2002-2003, as compared to the current FY 2000-2001 costs, resulting in a two-year cumulative cost impact of \$4,374,963.

As shown in Attachment IV, provided by the Controller's Office, the proposed Electrical Workers Local 6 MOU (File 01-0570) is estimated to cost the City \$3,415,904 in FY 2001-2002 and an additional \$7,491,750 in FY 2002-2003, as compared to the current FY 2000-2001 costs, resulting in a two-year cumulative cost impact of \$10,907,654.

However, as noted by the Controller's Office, these estimates do not include the additional four hours of parent release time and up to eight hours of time off for employees to attend retirement planning seminars, which may result in additional overtime costs to the City for positions that are backfilled and may result in lost productivity to the City for positions that are not backfilled. In addition, the Controller's estimates do not include potential overtime savings to offset some of these costs, from the proposed MOU provision to exclude sick leave time from the determination of eligibility for overtime pay.

As noted in Attachments III and IV, the MTA performance and attendance incentives for covered

employees working in "service critical areas" would be paid from MUNI funds and would have no General Fund impact.

4. The Budget Analyst notes that the current MOU contains existing language, stating that any day declared to be a holiday by proclamation of the Mayor, after such day has been declared a holiday by the Governor or the President of the United States, would be a paid holiday for covered employees. As noted in Attachments III and IV, provided by the Controller's Office, if, for example, the City chooses to make Cesar Chavez day a paid holiday during the two-year term of the subject MOU, there may be additional overtime and productivity costs for this bargaining unit.

5. Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for General Fund supported departments would be the City's General Fund Salary and Benefits Reserve Fund of \$46,880,219 that is included in the proposed FY 2001-2002 budget. To the extent that employees covered by the subject MOUs are paid with Special or Enterprise Funds, such as bond funds or Airport Funds, and not with General Fund monies, Ms. Stevenson advises that the required additional wage and benefit costs will be allocated to such Special or Enterprise Funds.

6. As detailed in the table below, the estimated additional FY 2001-2002 costs of the subject MOUs¹ as compared with current FY 2000-2001 costs is \$44,870,115. The estimated additional costs of these MOUs for FY 2002-2003, as compared with current FY 2000-2001 costs is \$89,096,470. Therefore, the total cumulative two-year costs of these MOUs is \$133,966,585, as shown below.

¹Does not include the settlement of grievance filed by SEIU Local 790 (Item 18, File 01-1007) on behalf of Pharmacists and Clinical Pharmacists in an aggregate amount not to exceed \$191,000, which will be funded from the Department of Public Health's FY 2000-2001 budget, and does not include Items 15 and 16, Files 01-0984 and 01-0985 which provide for pass-through of State funds at skilled nursing facilities, which will result in no additional City costs.

Memo to Audit, Labor & Government Efficiency Committee
 June 12, 2001 Audit, Labor & Government Efficiency Committee Meeting

<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
1	01-0564	Automotive Machinists, Local 1414	\$1,428,809	\$2,946,154	\$4,374,963
2	01-0570	Electrical Workers, Local 6	3,415,904	7,491,750	10,907,654
3	01-0986	In. Fed. of Prof. Tech. Engineers, Local 21	17,885,556	37,924,310	55,809,866
4	01-0987	Deputy Sheriff's Association	3,866,744	6,726,699	10,593,443
5	01-0988	District Attorney Investigators Assoc.	365,129	729,862	1,094,991
6	01-0989	Municipal Attorney's Association	6,375,411	9,244,294	15,619,704
7	01-0990	Municipal Executives' Association	5,111,843	11,418,794	16,530,637
8	01-0991	Probation Officers Association	1,037,789	2,496,171	3,533,960
9	01-0992	Transport Workers Union, Local 20	1,568,233	3,023,524	4,591,758
10	01-0994	Transport Workers Union, Local 250-A	539,975	967,675	1,507,649
11	01-0993	Transport Workers Union, Local 250-A Multi-Unit	544,573	1,028,002	1,572,575
12	01-0995	Teamsters, Local 856	551,424	1,127,633	1,679,057
13	01-0996	Amer. Physicians &	1,798,040	3,577,593	5,375,633
14	01-0997	Dentists, Units SCC & 11-AA			
17	01-0998	SEIU Locals 250,535 & 790, Amendment 2	<u>380,685</u>	<u>394,009</u>	<u>774,695</u>
Total			\$44,870,115	\$89,096,470	\$133,966,585

Recommendation: Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

Classifications, Automotive Machinists Local 1414

<u>Class</u>	<u>Description</u>
7126	Mechanical Shop & Equipment Supt.
7225	Transit Paint Shop Supervisor I
7228	Automotive Transit Shop Supervisor I
7232	Hetch Hetchy Mechanical Shop Supervisor
7241	Senior Maintenance Controller
7249	Automotive Mechanic Supervisor I
7254	Automotive Machinist Supervisor I
7258	Maintenance Machinist Supervisor I
7264	Automotive Body & Fender Worker Supervisor I
7277	City Shops Assistant Superintendent
7305	Metal Fabricator
7306	Automotive Body & Fender Worker
7309	Car and Auto Painter
7313	Automotive Machinist
7315	Automotive Machinist Assistant Supervisor
7322	Automotive Body & Fender Worker Assistant Supervisor
7325	General Utility Mechanic
7330	Senior General Utility Mechanic
7331	Apprentice Maintenance Machinist
7332	Maintenance Machinist
7337	Maintenance Machinist Assistant Supervisor
7340	Maintenance Controller
7381	Automotive Mechanic
7382	Automotive Mechanic Assistant Supervisor
7387	Upholsterer
7434	Maintenance Machinist Helper

Provided by DHR 6/4/01

Classifications, Electrical Workers Local 6

Class

6248 Electrical Inspector
 6249 Senior Electrical Inspector
 6250 Chief Electrical Inspector
 6252 Line Inspector
 7214 Electrical Transit Equipment Superintendent
 7216 Electrical Transit Shop Supervisor I
 7229 Transmission Line Supervisor I
 7235 Transit Power Line Supervisor I
 7238 Electrician Supervisor I
 7244 Power Plant Supervisor I
 7253 Electrical Transit Mechanic Supervisor I
 7255 Power House Electrician Supervisor I
 7256 Electric Motor Repair Supervisor I
 7257 Communication Line Supervisor I
 7273 Communication Line Worker Supervisor II
 7274 Transit Power Line Worker Supervisor II
 7275 Telecommunications Technician Supervisor I
 7276 Electrician Supervisor II
 7279 Powerhouse Electrician Supervisor II
 7285 Transmission Line Worker Supervisor II
 7287 Supervising Electronic Maintenance Technician
 7308 Cable Splicer
 7318 Electronic Maintenance Technician
 7319 Electric Motor Repairer
 7329 Electronics Maintenance Technician Assistant Supervisor
 7338 Electrical Line Worker
 7345 Electrician
 7363 Power House Electrician
 7364 Power House Operator
 7365 Senior Power House Operator
 7371 Electrical Transit System Mechanic
 7380 Electrical Transit Mechanic, Assistant Supervisor
 7390 Welder
 7408 Assistant Power House Operator
 7430 Assistant Electronic Maintenance Technician
 7432 Electrical Line Helper
 7480 Power Generation Technician I
 7482 Power Generation Technician II
 7484 Senior Power Generation Technician
 7488 Power Generation Supervisor
 7510 Lighting Fixture Maintenance Worker
 9240 Airport Electrician
 9241 Airport Electrician Supervisor
 9242 Head Airport Electrician
 9354 Elevator and Crane Technician
 9358 Crane Mechanic Supervisor

Provided by DHR 6/4/01



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
ControllerMatthew H. Hym
Chief Assistant Controller

June 6, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 010564
Amendments to Memorandum of Understanding (MOU) with Automotive Machinists Local 1414

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of amendments to the MOU between the City and County of San Francisco and the Automotive Machinists Local 1414. The amendments cover the period July 1, 2001 through June 30, 2003, and affect 430 budgeted positions with an overall pay and benefits base of approximately \$28.1 and a salary base of approximately \$25.8 million.

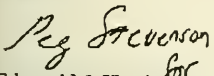
Based on our analysis, the amendments will result in incremental costs of approximately \$1.4 million in FY 2001-2002, and \$1.5 million in FY 2002-2003. The amendments will result in cost increases of approximately 5.1% above the overall pay and benefits base (approximately 5.5% above base salaries) in FY 2001-2002 and approximately 5.4% above the overall pay and benefits base (5.6% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides four hours of parental leave and up to eight hours of release time for employees to attend retirement planning seminars. These provisions may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for these provisions at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and productivity costs for this bargaining unit. Finally, the MOU includes a provision excluding sick leave hours when calculating eligibility for overtime which will result in some overtime savings to the City in future years.

The MOU includes language specifying that employees in this bargaining unit who are deemed to be "service critical" by the Municipal Transportation Authority (Muni) will be eligible to receive performance and attendance incentives pursuant to Charter Section 8A.104 (Proposition E). These performance and attendance incentives will be paid from Muni funds and will have no general fund impact. Individuals would be eligible to receive a maximum of \$375 per quarter if all group and division goals in their unit are achieved.

If you have additional questions or concerns please contact me or Pamela Levin of my staff at 554-7500.

Sincerely,


for
Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Machinists Union Local 1414
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$1,030,961	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$1,285,479
Health		
Increased dependent coverage to 75% of Kaiser index	200,232	0
Additional Premiums and Benefits		
For lead person, standby, acting assignment, tuition reimbursement and new Hetch Hetchy premiums	35,050	2,327
Pilot Wellness Program¹		
2.5% of accrued sick leave if retiring after July 1, 2002	0	28,761
Wage-Related Fringe Increases	162,567	200,777
Total Estimated Incremental Costs	\$1,428,809	\$1,517,345
Annual Amount Above 2000-2001 Level	\$1,428,809	\$2,946,154
Cumulative Total Above 2000-2001 Provisions		\$4,374,963
Incremental Cost % of 2000-2001 Total Pay & Benefits	5.1%	5.4%
Incremental Cost % of Base Salary	5.5%	5.6%

¹ Assumes that a similar number of employees retire during contract years as during calendar year 2000. As more members become eligible, this cost would increase. While this program may allow departments to reduce overtime hours, we have not estimated an overtime budget decrease related to the Wellness Program at this time.



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
ControllerMatthew H. Hymel
Chief Assistant Controller

June 6, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 010570
Amendments to Memorandum of Understanding (MOU) with International Brotherhood of
Electrical Workers (IBEW) Local 6

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of amendments to the MOU between the City and County of San Francisco and IBEW Local 6. The amendments cover the period July 1, 2001 through June 30, 2003, and affect 790 budgeted positions with an overall pay and benefits base of approximately \$58.0 million and a salary base of approximately \$52.6 million.

Based on our analysis, the amendments will result in incremental costs of approximately \$3.4 million in FY 2001-2002, and \$4.1 million in FY 2002-2003. The amendments will result in cost increases of approximately 5.9% above the overall pay and benefits base (approximately 6.5% above base salaries) in FY 2001-2002 and approximately 7.0% above the overall pay and benefits base (7.3% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

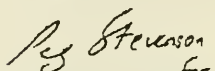
In addition to the wage and benefit provisions in Attachment A, the MOU provides four hours of parental leave and up to eight hours of release time for employees to attend retirement planning seminars. These provisions may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for these provisions at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and productivity costs for this bargaining unit. Finally, the MOU includes a provision excluding sick leave hours when calculating eligibility for overtime which will result in some overtime savings to the City in future years.

The MOU includes language specifying that employees in this bargaining unit who are deemed to be "service critical" by the Municipal Transportation Authority (Muni) will be eligible to receive performance and attendance incentives pursuant to Charter Section 8A.104 (Proposition E). These performance and attendance incentives will be paid from Muni funds and will have no general fund impact. Individuals would be eligible to receive a maximum of \$375 per quarter if all group and division goals in their unit are achieved.

Finally, the MOU provides for additional compensation to employees providing services in skilled nursing facilities such as Laguna Honda Hospital. The number and classifications of employees who would receive compensation under this program has not yet been determined. The City is currently working with state program administrators to determine how this compensation will be paid.

If you have additional questions or concerns please contact me or Pamela Levin of my staff at 554-7500.

Sincerely,


Edward M. Harrington ^{for}
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
IBEW Local 6
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$2,104,630	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$2,646,300
Wage Adjustments		
Various adjustments for selected classes	321,589	731,935
Step increases for provisional employees	121,304	127,066
Health		
Increased dependent coverage to 75% of Kaiser index	280,584	0
Additional Premiums and Benefits		
Lead person, acting assignment, night shift and other pays	172,928	14,146
Pilot Wellness Program¹		
2.5% of accrued sick leave if retiring after July 1, 2002	0	19,683
Wage-Related Fringe Increases	414,869	536,716
Total Estimated Incremental Costs	<u>\$3,415,904</u>	<u>\$4,075,845</u>
Annual Amount Above 2000-2001 Level	\$3,415,904	\$7,491,750
Cumulative Total Above 2000-2001 Provisions		\$10,907,654
Incremental Cost % of 2000-2001 Total Pay & Benefits	5.9%	7.0%
Incremental Cost % of Base Salary	6.5%	7.3%

¹ Assumes that a similar number of employees retire during contract years as during calendar year 2000. As more members become eligible, this cost would increase. While this program may allow departments to reduce overtime hours, we have not estimated an overtime budget decrease related to the Wellness Program at this time.

Memo to Audit, Labor & Government Efficiency Committee
June 12, 2001 Audit, Labor & Government Efficiency Committee Meeting

Item 3 - File 01-0986

Department: Department of Human Resources (DHR)

Item: Ordinance implementing an arbitration award establishing the terms of the Memorandum of Understanding between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Description: The proposed Memorandum of Understanding (MOU) was submitted to arbitration, in accordance with San Francisco Charter Section A8.409, and an arbitration award was issued on May 22, 2001.

The proposed Memorandum of Understanding (MOU) between the International Federation of Professional and Technical Engineers (IFPTE), Local 21, AFL-CIO and the City and County of San Francisco is the successor agreement to the existing MOU which expires on June 30, 2001. The proposed two-year MOU, which is effective from July 1, 2001 through June 30, 2003, covers 255 classifications, comprising a total of 4,362 budgeted positions. Attachment I provides a list of covered classifications and number of employees by bargaining unit.

Major Economic Provisions:

The major economic changes of the new subject MOU from the current MOU includes the following:

Wage Increase

The proposed MOU would provide wage increases, totaling 10% over the two-year period to all covered employees as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
July 1, 2002	2.5%
January 4, 2003	2.5%
Total	10.0%

BOARD OF SUPERVISORS
BUDGET ANALYST

Internal Wage Adjustments

Attachment II contains a list of classifications that would receive internal wage adjustments in addition to the 10 percent wage increase.

Salary Step Adjustments

The proposed MOU would include two new higher level salary steps, Step 6 and Step 7, in addition to the existing Steps 1 through 5, for the following six classifications:

- 1835 Legislative Assistant
- 2548 Occupational Therapist
- 2550 Senior Occupational Therapist
- 2555 Physical Therapist Assistant
- 2556 Physical Therapist
- 2558 Senior Physical Therapist

Classification Studies

The proposed MOU would also require the City, in cooperation with the Union, to conduct salary and classification studies for the Technical Engineering and Water Quality and Waste Water Inspection classifications to determine the appropriate salary levels and duties for these positions.

Under the proposed MOU, the Arbitrator would retain jurisdiction over wage levels for Architect and Landscape Architect classifications, including conducting evidentiary proceedings. Any awards made under this provision would be made prior to the termination of the subject MOU on June 30, 2003.

Acting Assignment Pay

Acting Assignment Pay would be retroactive to the first day of the assignment.

Bilingual Pay

Bilingual Pay would increase from the current rate of \$35 per pay period for providing bilingual services for a minimum of ten hours per pay period to new rate of (a) \$40 per pay period for providing bilingual services for a minimum of ten hours and a maximum of 40 hours per pay period, and (b) \$60 per pay period for providing bilingual services for more than 40 hours per pay period.

BOARD OF SUPERVISORS

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Shift Differential

The proposed MOU contains new language, providing a shift differential equal to (a) 8 percent of base pay for all hours worked between 5 p.m. and 7 a.m. if at least one hour of work is scheduled during such hours, and (b) 10 percent of base pay for all hours worked between midnight and 7 a.m. if at least five hours of work are scheduled during such hours.

Floating Holidays

The proposed MOU would increase the number of floating holidays by one, from 3 under the current MOU to 4 under the new MOU, effective July 1, 2002. Ms. Alice Villagomez of DHR states that this proposal for 4 floating holidays is consistent with the number of floating holidays in the SEIU Locals 250, 535, and 790 MOU, effective July 1, 2001.

Medical Benefits

In the proposed MOU, the amount of dependent health care coverage paid by the City would increase. Currently, the City pays \$225 per month for dependent health care coverage. Under the proposed MOUs, the City's contribution would increase from a flat rate of \$225 per month to a formula equal to 75 percent of the cost of the Kaiser Health Plan rate for two or more dependents. In FY 2001-2002, 75 percent of the Kaiser Health Plan rate for two or more dependents would equal \$279 per month, which is an increase in the amount that the City pays for dependent health care coverage of \$54 per month (\$279 less \$225).

Long Term Disability Insurance

Under the proposed MOU, long term disability insurance would become effective after 90 days, compared to 180 days under the current MOU, and would provide benefits equal to 66 percent of the covered employee's salary, compared to 60 percent under the current MOU.

Life Insurance

The City would provide all covered employees life insurance equal to \$50,000. Currently, the City does not provide life insurance to covered employees.

BOARD OF SUPERVISORS

BUDGET ANALYST

Release Time for Retirement Seminar

The proposed MOU contains language, providing one day of paid time off during the term of the subject MOU to attend a pre-retirement planning seminar, sponsored by San Francisco Employee Retirement System (SFERS) or California Public Employee Retirement System (PERS).

Employee Training and Tuition Reimbursement Program

Under the proposed MOU, the City would budget \$250,000 during each year of the agreement for employee training, education and development.

Education Leave

The proposed MOU would provide five days of educational leave per year to covered employees in Rehabilitation Classifications to attend Department approved education and training courses.

Pilot Wellness Incentive Program

The proposed MOU contains language establishing a pilot wellness program as an incentive to decrease the use of sick leave. Under the pilot wellness program, the employee would be able to receive a cash payment upon retirement for unused sick leave, based upon the employee's salary rate and years of service. The program enables covered employees to receive 2.5% of accrued sick leave credits times the number of whole years of continuous years of service times the employee's salary rate upon retirement

Municipal Transportation Agency Incentive Program

The subject MOU contains language regarding the Municipal Transportation Agency (MTA) Incentive and Attendance Programs. Under these provisions, covered employees working in "service-critical" areas of the MTA would be eligible to participate in the incentive and attendance programs. Under the incentive program, eligible employees would receive bonuses ranging from \$30 to \$150 each quarter, based on established performance goals. Under the attendance program, eligible employees in operations who have not used more than 40 hours of sick leave in the calendar year may receive 2 to 3 days of paid time off. Eligible employees in

BOARD OF SUPERVISORS

BUDGET ANALYST

maintenance who have not used more than 40 hours of sick leave in the calendar year may cash out up to 20 to 40 hours of unused sick leave.

Major Non-Economic Provisions:

The major non-economic changes in the proposed MOUs as compared with the current MOUs are as follows:

Grievance Procedure

The proposed MOU contains new language, providing for a pilot expedited arbitration process to resolve grievances. The proposed expedited arbitration procedure would not utilize court reporters or electronic transcripts and would permit the arbitrator to make bench decisions.

Probationary Period

The proposed MOU would require Human Resources and the Civil Service Commission to meet with the Union to clarify the definition of probation and to simplify the determination of probationary periods.

Comments:

1. Specific provisions of the subject MOU were considered by the Arbitration Board, including (a) additional salary steps beyond Step 5 for Physical/Occupational Therapist classifications and Physical Therapy Assistants, and (b) internal wage adjustments for specific classifications. Pursuant to Administrative Code Section 16.216, the subject Arbitration Board's award is binding on both the City and the Unions. Therefore, according to Mr. Ted Lakey of the City Attorney's Office, the City must either approve the proposed MOU or file a legal challenge to the decisions of the Arbitration Board.

2. As noted in Comment 1, the additional salary steps for the Physical/Occupational Therapist classifications and Physical Therapy Assistants were awarded by the Arbitration Board. Ms. Villagomez states that the arbitration award was based upon the Arbitrator's acceptance of the Union's proposal for a sixth and seventh higher level salary step due to the City's difficulty in recruiting and retaining qualified Physical Therapy and Occupational Therapy staff.

3. As noted in Comment 1, the internal wage adjustments in the proposed MOU were awarded by the Arbitration Board and are based upon the Arbitrator's acceptance of the Union's proposal for such internal wage adjustments.

4. As shown in Attachment III, provided by the Controller's Office, the proposed MOU is estimated to cost the City \$17,885,556 in FY 2001-2002 and an additional \$37,924,310 in FY 2002-2003, as compared to the current FY 2000-2001 costs, resulting in a two-year cumulative cost impact of \$55,809,866.

However, as noted by the Controller's Office, these estimates do not include up to eight hours of time off for employees to attend retirement planning seminars, which may result in additional overtime costs to the City for positions that are backfilled and may result in lost productivity to the City for positions that are not backfilled. As noted in Attachment III, the MOU also provides for caps on the accrual, use and carryover of compensatory time off for exempt employees, which may decrease the number of such time off used, thereby resulting in some overtime and productivity savings.

5. The current MOU contains existing language, stating that any day declared to be a holiday by proclamation of the Mayor, after such day has been declared a holiday by the Governor or the President of the United States, would be a holiday for covered employees. As noted in Attachment III, provided by the Controller's Office, if the City chooses to make Cesar Chavez day a paid holiday during the two-year term of the subject MOU, there may be additional overtime and productivity costs for this bargaining unit.

6. Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for General Fund supported departments would be the City's General Fund Salary and Benefits Reserve Fund of \$46,880,219 that is included in the proposed FY 2001-2002 budget. To the extent that employees covered by the subject MOUs are paid with Special or Enterprise Funds, such as bond funds or Airport Funds, and not with General Fund monies, Ms. Stevenson advises that the

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required additional wage and benefit costs will be allocated to such Special or Enterprise Funds.

7. As detailed in the table below, the estimated additional FY 2001-2002 costs of the subject MOUs¹ as compared with current FY 2000-2001 costs is \$44,870,115. The estimated additional costs of these MOUs for FY 2002-2003, as compared with current FY 2000-2001 costs is \$89,096,470. Therefore, the total cumulative two-year costs of these MOUs is \$133,966,585, as shown below.

Item No.	File No.	Employee Bargaining Unit	FY 2001-2002	FY 2002-2003	Cumulative
1	01-0564	Automotive Machinists, Local 1414	\$1,428,809	\$2,946,154	\$4,374,963
2	01-0570	Electrical Workers, Local 6	3,415,904	7,491,750	10,907,654
3	01-0986	In. Fed. of Prof. Tech. Engineers, Local 21	17,885,556	37,924,310	55,809,866
4	01-0987	Deputy Sheriff's Association	3,866,744	6,726,699	10,593,443
5	01-0988	District Attorney Investigators Assoc.	365,129	729,862	1,094,991
6	01-0989	Municipal Attorney's Association	6,375,411	9,244,294	15,619,704
7	01-0990	Municipal Executives' Association	5,111,843	11,418,794	16,530,637
8	01-0991	Probation Officers Association	1,037,789	2,496,171	3,533,960
9	01-0992	Transport Workers Union, Local 20	1,568,233	3,023,524	4,591,758
10	01-0994	Transport Workers Union, Local 250-A	539,975	967,675	1,507,649

¹Does not include the settlement of grievance filed by SEIU Local 790 (Item 18, File 01-1007) on behalf of Pharmacists and Clinical Pharmacists in an aggregate amount not to exceed \$191,000, which will be funded from the Department of Public Health's FY 2000-2001 budget, and does not include Items 15 and 16, Files 01-0984 and 01-0985 which provide for pass-through of State funds at skilled nursing facilities, which will result in no additional City costs.

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<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
11	01-0993	Transport Workers Union, Local 250-A Multi-Unit	544,573	1,028,002	1,572,575
12	01-0995	Teamsters, Local 856	551,424	1,127,633	1,679,057
13	01-0996	Amer. Physicians &	1,798,040	3,577,593	5,375,633
14	01-0997	Dentists, Units 8CC & 11-AA			
17	01-0998	SEIU Locals 250,535 & 790, Amendment 2	<u>380,685</u>	<u>394,009</u>	<u>774,695</u>
		Total	\$44,870,115	\$89,096,470	\$133,966,585

Recommendation: Approval of the proposed MOU is a policy matter for the Board of Supervisors.

Appendix A

IFPTE, Local 21 Represented Classifications

<u>Unit</u>	<u>Class</u>	<u>Title</u>
8 Z	1002	IS OPERATOR-JOURNEY
8 Z	1003	IS OPERATOR-SENIOR
8 Z	1004	IS OPERATOR-ANALYST
11 O	1005	IS OPERATOR-SUPERVISOR
8 Z	1011	IS TECHNICIAN-ASSISTANT
8 Z	1012	IS TECHNICIAN-JOURNEY
8 Z	1013	IS TECHNICIAN-SENIOR
11 O	1014	IS TECHNICIAN-SUPERVISOR
8 Y	1021	IS ADMINISTRATOR I
8 Y	1022	IS ADMINISTRATOR II
8 Y	1023	IS ADMINISTRATOR III
11 N	1024	IS ADMINISTRATOR-SUPERVISOR
8 Y	1031	IS TRAINER-ASSISTANT
8 Y	1032	IS TRAINER-JOURNEY
8 Y	1033	IS TRAINER-SENIOR
8 Y	1041	IS ENGINEER-ASSISTANT
8 Y	1042	IS ENGINEER-JOURNEY
8 Y	1043	IS ENGINEER-SENIOR
8 Y	1044	IS ENGINEER-PRINCIPAL
8 Y	1051	IS BUSINESS ANALYST-ASSISTANT
8 Y	1052	IS BUSINESS ANALYST
8 Y	1053	IS BUSINESS ANALYST-SENIOR
8 Y	1054	IS BUSINESS ANALYST-PRINCIPAL
8 Y	1061	IS PROGRAM ANALYST-ASSISTANT
8 Y	1062	IS PROGRAMMER ANALYST
8 Y	1063	IS PROGRAMMER ANALYST-SENIOR
8 Y	1064	IS PROGRAMMER ANALYST-PRINCIPAL
11 N	1070	IS PROJECT DIRECTOR
8 R	1232	TRAINING OFFICER
8 R	1312	PUBLIC INFORMATION OFFICER
8 R	1314	PUBLIC RELATIONS OFFICER
4 D	1360	SPECIAL ASSISTANT I
4 D	1361	SPECIAL ASSISTANT II
4 D	1362	SPECIAL ASSISTANT III
4 D	1363	SPECIAL ASSISTANT IV
4 D	1364	SPECIAL ASSISTANT V
8 I	1365	SPECIAL ASSISTANT VI
8 I	1366	SPECIAL ASSISTANT VII
8 I	1367	SPECIAL ASSISTANT VIII
8 I	1368	SPECIAL ASSISTANT IX
11 G	1369	SPECIAL ASSISTANT X
11 G	1370	SPECIAL ASSISTANT XI
11 G	1371	SPECIAL ASSISTANT XII
8 J	1649	ACCOUNTANT INTERN
8 J	1650	ACCOUNTANT
8 J	1652	SENIOR ACCOUNTANT

IFPTE, Local 21 Represented Classifications

Unit	Class	Title
11 A	1654	PRINCIPAL ACCOUNTANT
8 J	1655	SYSTEMS ACCOUNTANT
11 A	1656	HEAD ACCOUNTANT
8 J	1657	SENIOR SYSTEMS ACCOUNTANT
11 A	1670	FINANCIAL SYSTEMS SUPERVISOR
8 J	1684	ASSOCIATE AUDITOR
11 A	1686	SUPERVISING AUDITOR
8 Z	1734	COMPUTER OPERATOR I
11 O	1739	COMPUTER OPERATIONS SUPERVISOR II
11 A	1801	SUPERVISING PERFORMANCE AUDITOR
8 J	1804	STATISTICIAN
8 J	1805	ASSOCIATE PERFORMANCE AUDITOR
8 J	1806	SENIOR STATISTICIAN
8 Y	1811	MANAGEMENT INFORMATION SYSTEMS SPECIALIST I
11 N	1819	MANAGEMENT INFORMATION SYSTEMS SPECIALIST III
8 J	1823	SENIOR ADMINISTRATIVE ANALYST
11 A	1824	PRINCIPAL ADMINISTRATIVE ANALYST
11 A	1827	ADMINISTRATIVE SERVICES MANAGER
8 J	1944	MATERIALS COORDINATOR
8 J	1950	ASSISTANT PURCHASER
8 J	1952	PURCHASER
8 J	1956	SENIOR PURCHASER
11 A	1958	SUPERVISING PURCHASER
8 R	2107	MEDICAL STAFF SERVICES DEPARTMENT ANALYST
8 R	2119	HEALTH CARE ANALYST
8 T	2218	PHYSICIAN ASSISTANT
8 L	2403	FORENSIC LABORATORY TECHNICIAN
8 L	2456	ASSISTANT FORENSIC TOXICOLOGIST I
8 L	2457	ASSISTANT FORENSIC TOXICOLOGIST II
8 L	2458	FORENSIC TOXICOLOGIST
10	2481	WATER QUALITY TECHNICIAN I/II
10	2482	WATER QUALITY TECHNICIAN III
8 L	2483	BIOLOGIST I/II
8 L	2484	BIOLOGIST III
11 R	2485	SUPERVISING BIOLOGIST
8 L	2486	CHEMIST I/II
8 L	2487	CHEMIST III
11 R	2488	SUPERVISING CHEMIST
11 R	2489	LABORATORY SERVICES MANAGER
8 T	2538	AUDIOMETRIST
8 T	2540	AUDIOLOGIST
8 T	2542	SPEECH PATHOLOGIST
8 T	2548	OCCUPATIONAL THERAPIST
11 R	2550	SENIOR OCCUPATIONAL THERAPIST
8 T	2551	MENTAL HEALTH TREATMENT SPECIALIST
8 T	2555	PHYSICAL THERAPIST ASSISTANT

Appendix A

IFPTE, Local 21 Represented Classifications

<u>Unit</u>	<u>Class</u>	<u>Title</u>
8 T	2556	PHYSICAL THERAPIST
11 R	2558	SENIOR PHYSICAL THERAPIST
8 T	2566	REHABILITATION COUNSELOR
11 R	2589	HEALTH PROGRAM COORDINATOR I
11 R	2591	HEALTH PROGRAM COORDINATOR II
11 R	2593	HEALTH PROGRAM COORDINATOR III
8 R	2594	EMPLOYEE ASSISTANCE COUNSELOR
8 R	2595	SENIOR EMPLOYEE ASSISTANCE COUNSELOR
8 L	2802	EPIDEMIOLOGIST I
8 L	2803	EPIDEMIOLOGIST II
8 R	2819	ASSISTANT HEALTH EDUCATOR
8 R	2822	HEALTH EDUCATOR
11 R	2825	SENIOR HEALTH EDUCATOR
8 T	2846	NUTRITIONIST
11 R	2924	MEDICAL SOCIAL WORK SUPERVISOR
11 A	2982	RENT BOARD SUPERVISOR
8 J	2992	CONTRACT COMPLIANCE OFFICER I
8 R	3374	VOLUNTEER COORDINATOR, ANIMAL CARE AND CONTROL
8 J	4140	REAL PROPERTY OFFICER
11 A	4142	SENIOR REAL PROPERTY OFFICER
11 A	4143	PRINCIPAL REAL PROPERTY OFFICER
8 J	4220	PERSONAL PROPERTY AUDITOR
11 A	4222	SENIOR PERSONAL PROPERTY AUDITOR
11 A	4224	PRINCIPAL PERSONAL PROPERTY AUDITOR
8 J	4230	ESTATE INVESTIGATOR
11 A	4231	SENIOR ESTATE INVESTIGATOR
8 J	4261	REAL PROPERTY APPRAISER
8 J	4265	SENIOR REAL PROPERTY APPRAISER
11 A	4267	PRINCIPAL REAL PROPERTY APPRAISER
8 U	5120	ARCHITECTURAL ADMINISTRATOR
11 F	5130	SEWAGE TREATMENT PLANT SUPERINTENDENT
11 J	5174	ADMINISTRATIVE ENGINEER
8 M	5177	SAFETY OFFICER
8 M	5201	JUNIOR ENGINEER
8 M	5203	ASSISTANT ENGINEER
11 F	5207	ASSOCIATE ENGINEER
11 F	5209	INDUSTRIAL ENGINEER
11 F	5211	SENIOR ENGINEER
11 J	5214	BUILDING PLANS ENGINEER
8 M	5215	FIRE PROTECTION ENGINEER
11 F	5216	CHIEF SURVEYOR
11 K	5217	BUILDING CODE ANALYST
11 F	5218	STRUCTURAL ENGINEER
11 F	5219	SENIOR STRUCTURAL ENGINEER
11 F	5224	ASSOCIATE WATER PURIFICATION ENGINEER
11 F	5241	ENGINEER

Appendix A

IFPTE, Local 21 Represented Classifications

<u>Unit</u>	<u>Class</u>	<u>Title</u>
8 V	5260	ARCHITECTURAL ASSISTANT I
8 V	5261	ARCHITECTURAL ASSISTANT II
8 N	5262	LANDSCAPE ARCHITECTURAL ASSOCIATE I
8 V	5265	ARCHITECTURAL ASSOCIATE I
8 U	5266	ARCHITECTURAL ASSOCIATE II
11 K	5268	ARCHITECT
11 K	5270	SENIOR ARCHITECT
8 N	5272	LANDSCAPE ARCHITECTURAL ASSOCIATE II
11 K	5273	PRINCIPAL ARCHITECT
11 E	5274	LANDSCAPE ARCHITECT
11 E	5275	SENIOR LANDSCAPE ARCHITECT
8 JJ	5276	CITY PLANNING INTERN
8 JJ	5277	PLANNER I
8 JJ	5278	PLANNER II
11 P	5281	PLANNER III - ADMINISTRATIVE
11 P	5283	PLANNER V
8 JJ	5288	TRANSIT PLANNER II
11 P	5289	TRANSIT PLANNER III
11 P	5290	TRANSIT PLANNER IV
11 P	5291	PLANNER III
11 P	5293	PLANNER IV
11 P	5298	PLANNER III-ENVIRONMENTAL REVIEW
11 P	5299	PLANNER IV-ENVIRONMENTAL REVIEW
10	5301	SUPERVISOR, TRAFFIC PAINTING PROGRAM
10	5302	TRAFFIC SURVEY TECHNICIAN
10	5303	SUPERVISOR, TRAFFIC AND STREET SIGNS
10	5304	MATERIALS TESTING AIDE
10	5305	MATERIALS TESTING TECHNICIAN
10	5306	TRAFFIC SIGN MANAGER
10	5310	SURVEY ASSISTANT I
10	5312	SURVEY ASSISTANT II
10	5314	SURVEY ASSOCIATE
8 M	5320	ILLUSTRATOR AND ART DESIGNER
10	5330	CITY PLANNING GRAPHICS SUPERVISOR
10	5342	MECHANICAL ENGINEERING ASSISTANT I
10	5344	MECHANICAL ENGINEERING ASSISTANT
10	5346	MECHANICAL ENGINEERING ASSOCIATE I
10	5350	ELECTRICAL ENGINEERING ASSISTANT I
10	5352	ELECTRICAL ENGINEERING ASSISTANT
10	5354	ELECTRICAL ENGINEERING ASSOCIATE I
10	5360	CIVIL ENGINEERING ASSISTANT I
10	5362	CIVIL ENGINEERING ASSISTANT
10	5364	CIVIL ENGINEERING ASSOCIATE I
10	5366	ENGINEERING ASSOCIATE II
10	5380	STUDENT DESIGN TRAINEE I, ARCH., ENGR., & PLANNING
10	5381	STUDENT DESIGN TRAINEE II, ARCH, ENGR, & PLANNING

IFPTE, Local 21 Represented Classifications

<u>Unit</u>	<u>Class</u>	<u>Title</u>
10	5382	STUDENT DESIGN TRAINEE III, ARCH, ENGR, & PLANNING
10	5601	UTILITY ANALYST
11 F	5602	UTILITY SPECIALIST
10	5606	ENERGY SPECIALIST
11 F	5608	SENIOR ENERGY SPECIALIST
8 M	5620	REGULATORY SPECIALIST
8 M	5631	WATER & POWER ANALYST II
11 F	5633	WATER & POWER SPECIALIST
10	6115	WASTEWATER CONTROL INSPECTOR
10	6116	SUPERVISING WASTEWATER CONTROL INSPECTOR
8 M	6130	SAFETY ANALYST
8 M	6137	ASSISTANT INDUSTRIAL HYGIENIST
8 M	6138	INDUSTRIAL HYGIENIST
10	6230	STREET INSPECTOR
10	6231	SENIOR STREET INSPECTOR
10	6232	STREET INSPECTION SUPERVISOR
10	6262	PLAN CHECKER - ARCHITECTURAL
10	6266	SENIOR PLAN CHECKER
8 S	6270	HOUSING INSPECTOR
11 H	6272	SENIOR HOUSING INSPECTOR
11 H	6274	CHIEF HOUSING INSPECTOR
8 S	6281	FIRE SAFETY INSPECTOR II
10	6318	CONSTRUCTION INSPECTOR
8 S	6335	DISABILITY ACCESS COORDINATOR
10	7132	TELECOMMUNICATION SUPERVISOR
10	7336	ELECTRONIC INSTRUMENTATION TECHNICIAN, WATER POLLUTION CONTROL
1 JJ	7457	SIGN WORKER
8 J	8167	PARKING HEARING EXAMINER
8 F	8173	LEGAL ASSISTANT
11 R	8240	POLICE COMMUNICATIONS SHIFT SUPERVISOR
8 L	8260	CRIMINALIST
11 R	8262	SENIOR CRIMINALIST
8 L	8264	FORENSIC DOCUMENT EXAMINER
11 F	9195	LIGHT RAIL VEHICLE EQUIPMENT ENGINEER
11 F	9196	SENIOR LIGHT RAIL VEHICLE EQUIPMENT ENGINEER
11 F	9197	SIGNAL AND SYSTEMS ENGINEER
8 J	9206	AIRPORT PROPERTY SPECIALIST I
11 A	9255	AIRPORT ECONOMIC PLANNER
8 J	9376	MARKET RESEARCH SPECIALISTS, PORT
8 J	9377	FEASIBILITY ANALYST, PORT
8 J	9393	MARITIME MARKETING REPRESENTATIVE
8 J	9395	PROPERTY MANAGER, PORT

Appendix A

San Francisco Association of Personnel Professionals (SFAPP)
Represented Classifications

<u>Class</u>	<u>Title</u>
1203	PERSONNEL TECHNICIAN
1231	ASST. MGR., EQUAL EMPLOYMENT OPPORTUNITY PROGRAMS
1233	EQUAL EMPLOYMENT OPPORTUNITY PROGRAMS SPECIALIST
1241	PERSONNEL ANALYST
1244	SENIOR PERSONNEL ANALYST
1246	PRINCIPAL PERSONNEL ANALYST
1452	EXECUTIVE SECRETARY II
1454	EXECUTIVE SECRETARY III
1492	ASSISTANT CLERK, BOARD OF SUPERVISORS
1506	CONFIDENTIAL SECRETARY TO SHERIFF
1512	CONFIDENTIAL SECRETARY AND EXECUTIVE ASSISTANT TO PUBLIC DEFENDER
1518	CONFIDENTIAL SECRETARY TO ASSESSOR
1520	CONFIDENTIAL SECRETARY TO DISTRICT ATTORNEY
1522	CONFIDENTIAL SECRETARY TO CITY ATTORNEY
1544	SECRETARY, LIBRARY COMMISSION
1546	SECRETARY, COMMISSION ON THE AGING
1548	SECRETARY, SOCIAL SERVICES COMMISSION
1549	SECRETARY, JUVENILE PROBATION COMMISSION
1551	SECRETARY, HEALTH COMMISSION
1555	SECRETARY, BUILDING INSPECTION COMMISSION
1574	EXECUTIVE SECRETARY TO THE CONTROLLER
1835	LEGISLATIVE ASSISTANT
1838	ADMINISTRATIVE ASST TO THE EXEC DIRECTOR, HEALTH SERVICE SYSTEM
8116	LEGISLATIVE CALENDAR CLERK
8118	LEGISLATION CLERK
8151	CLAIMS INVESTIGATOR, CITY ATTORNEY'S OFFICE
8152	SENIOR CLAIMS INVESTIGATOR, CITY ATTORNEY'S OFFICE
8169	LEGISLATIVE ASSISTANT, CITY ATTORNEY'S OFFICE
9276	SECRETARY, AIRPORTS COMMISSION

The following classifications would receive an internal wage adjustment in addition to the wage increase, effective July 1, 2001, as follows:

Classification	Internal Wage Adjustments on July 1, 2001
<u>Planner classifications:</u> 5276 City Planning Intern 5277 Planner I 5278 Planner II 5281 Planner III - Administrative 5283 Planner V 5288 Transit Planner II 5289 Transit Planner III 5290 Transit Planner IV 5291 Planner III 5293 Planner IV 5298 Planner III - Environment 5299 Planner IV – Environment	2.5 %
<u>Personnel Classifications:</u> 1203 Personnel Technician 1231 Asst Mgr, EEO 1241 Personnel Analyst 1244 Senior Personnel Analyst 1246 Principal Personnel Analyst	2.0%
1232 Training Officer	2.5%
1233 EEO Program Specialist	3.75%
1649 Accountant Intern	3.75%
1652 Senior Accountant	2.5%
<u>Accounting Classifications:</u> 1650 Accountant 1654 Principal Accountant 1655 Systems Accountant 1656 Head Accountant 1657 Senior Systems Accountant 1670 Financial Systems Supervisor	1.25%
<u>Auditor Classifications:</u> 1686 Supervising Auditor 1801 Supervising Performance Auditor	2.5 %
8264 Forensic Document Examiner	8.0%
<u>Purchaser Classifications:</u> 1952 Purchaser 1956 Senior Purchaser 1958 Supervising Purchaser	2.5%

Classification	Internal Wage Adjustments on July 1, 2001
<u>Engineering Classifications:</u> 5174 Administrative Engineer 5201 Junior Engineer 5202 Junior Civil Engineer 5203 Assistant Engineer 5204 Assistant Civil Engineer 5205 Associate Materials Engineer 5206 Associate Civil Engineer 5207 Associate Engineer 5208 Civil Engineer 5209 Industrial Engineer 5210 Senior Civil Engineer 5211 Senior Engineer 5214 Building Plans Engineer 5217 Building Code Analyst 5218 Structural Engineer 5219 Senior Structural Engineer 5220 Junior Water Purification Engineer 5222 Assistant Water Purification Engineer 5224 Associate Water Purification Engineer 5227 Junior Transportation Engineer 5228 Assistant Transportation Engineer 5229 Associate Transportation Engineer 5230 Transportation Engineer 5232 Senior Transportation Engineer 5234 Junior Electrical Engineer 5236 Assistant Electrical Engineer 5238 Associate Electrical Engineer 5240 Electrical Engineer 5241 Engineer 5242 Senior Electrical Engineer 5247 Associate Sanitary Engineer 5248 Sanitary Engineer 5249 Senior Sanitary Engineer 5250 Junior Mechanical Engineer 5252 Assistant Mechanical Engineer 5254 Associate Mechanical Engineer 5256 Mechanical Engineer	2.5%

Classification	Internal Wage Adjustments on July 1, 2001
5258 Senior Mechanical Engineer 5502 Project Manager I 5504 Project Manager II 5506 Project Manager III	2.5%
<u>IS Classifications:</u> 1002 IS Operator Journey 1003 IS Operator Senior 1004 IS Operator Analyst 1005 IS Operator Supervisor 1011 IS Technician Assistant 1012 IS Technician Journey 1013 IS Technician Senior 1014 IS Technician Supervisor	1.0%
1021-IS Administrator I 1022 IS Administrator II 1023 IS Administrator III 1024 IS Administrator Supervisor 1031 IS Trainer Assistant 1032 IS Trainer Journey 1033 IS Trainer Senior	2.0%
<u>Transit Classifications:</u> 5508 Project Manager IV 6335 Disability Access Coordinator 9195 Light Rail Vehicle Equipment Engineer 9196 Senior Light Rail Vehicle Equipment Engineer 9197 Signal & Systems Engineer	2.5%
<u>Real Estate Classifications:</u> 4140 Real Property Officer 4142 Senior Real Property Officer 4143 Principal Real Property	3.67%
1452 Executive Secretary I	2.5 %
1454 Executive Secretary II	0.5%
<u>Legislative Classifications:</u> 1835 Legislative Assistant	5.0%
<u>Public Information Classifications</u> 1312 Public Information Officer 1314 Public Relations Officer	1.0 %
1827 Administrative Services Manager	1.0%
7457 Sign Worker	2.0%

Classification	Internal Wage Adjustments on July 1, 2001
<u>Housing Inspector</u>	
6270 Housing Inspector	
6272 Senior Housing Inspector	1.25 %
6274 Chief Housing Inspector	
8240 Police Communication Shift Supervisor	3.5%
1804 Statistician	2.0%
1806 Senior Statistician	5.0%

In addition to the internal wage adjustments, effective July 1, 2001, for the specific classifications noted in the table above, the following classifications would transition to a 10 Step Salary Schedule and receive an internal wage adjustment, in addition to the wage increase:

- 1041 IS Engineer Assistant, 1042 IS Engineer, 1043 IS Engineer Senior, and 1044 IS Engineer Principal would transition to a 10 Step Salary Schedule and receive a 5 percent internal wage adjustment, effective July 1, 2001.
- 1051 IS Business Analyst Assistant, 1052 IS Business Analyst, 1053 IS Business Analyst Senior, and IS Business Analyst Principal would transition to a 10 Step Salary Schedule and receive a 1 percent internal wage adjustment, effective July 1, 2001.
- 1061 IS Program Analyst Assistant, 1062 IS Program Analyst, 1063 IS Program Analyst Senior, and 1064 IS Program Analyst Principal would transition to a 10 Step Salary Schedule and receive a 1.5 percent internal wage adjustment, effective July 1, 2001.
- 1070 IS Project Director would transition to a 10 Step Salary Schedule and receive wage parity with 1044 IS Engineer Principal, effective July 1, 2001.

Effective July 1, 2001, Class 1367 Legislative Analyst and Class 1371 Senior Legislative Analyst in the Office of the Legislative Analyst will receive a 7 percent premium.

Effective July 1, 2001, Class 2594 Employee Assistance Counselor would receive wage parity with Class 2931 Marriage, Child and Family Counselor and Class 2595 Senior Employee Assistance Counselor would receive wage parity with Class 2935 Senior Marriage, Child and Family Counselor.

6318 Construction Inspector serving as Resident Engineer shall receive a two percent (2%) premium while serving in such capacity.

Effective July 1, 2001, 5130 Sewage Treatment Plant Superintendent possessing an engineering license shall receive a five and one-half percent (5.5%) premium.

The following classifications would receive an internal wage adjustment in addition to the wage increase, effective July 1, 2002, as follows:

<i>Classification</i>	<i>Internal Wage Adjustments on July 1, 2002</i>
Planner classifications: 5276 City Planning Intern 5277 Planner I 5278 Planner II 5281 Planner III - Administrative 5283 Planner V 5288 Transit Planner II 5289 Transit Planner III 5290 Transit Planner IV 5291 Planner III 5293 Planner IV 5298 Planner III - Environment 5299 Planner IV - Environment	2.0 %
1203 Personnel Technician	
1241 Personnel Analyst	2.0%
1232 Training Officer	2.5%
1233 EEO Program Specialist	3.0%
1649 Accountant Intern	3.75%
1652 Senior Accountant	2.5%
1650 Accountant 1654, Principal Accountant 1655 Systems Accountant 1656 Head Accountant 1657 Senior Systems Accountant 1670 Financial Systems	1.25%
1686 Supervising Auditor 1801 Supervising Performance Auditor	2.5 %
1952 Purchaser 1956 Senior Purchaser 1958 Supervising Purchaser	2.5%

<i>Classification</i>	<i>Internal Wage Adjustments on July 1, 2002</i>
5174 Administrative Engineer	
5201 Junior Engineer	
5202 Junior Civil Engineer	
5203 Assistant Engineer	
5204 Assistant Civil Engineer	
5205 Associate Materials Engineer	
5206 Associate Civil Engineer	
5207 Associate Engineer	
5208 Civil Engineer	
5209 Industrial Engineer	
5210 Senior Civil Engineer	
5211 Senior Engineer	
5214 Building Plans Engineer	
5217 Building Code Analyst	
5218 Structural Engineer	
5219 Senior Structural Engineer	
5220 Junior Water Purification Engineer	3.0%
5222 Assistant Water Purification Engineer	
5224 Associate Water Purification Engineer	
5227 Junior Transportation Engineer	
5228 Assistant Transportation Engineer	
5229 Associate Transportation Engineer	
5230 Transportation Engineer	
5232 Senior Transportation Engineer	
5234 Junior Electrical Engineer	
5236 Assistant Electrical Engineer	
5238 Associate Electrical Engineer	
5240 Electrical Engineer	
5241 Engineer	
5242 Senior Electrical Engineer	

<i>Classification</i>	<i>Internal Wage Adjustments on July 1, 2002</i>
5247 Associate Sanitary Engineer	3.0%
5248 Sanitary Engineer	
5249 Senior Sanitary Engineer	
5250 Junior Mechanical Engineer	
5252 Assistant Mechanical Engineer	
5254 Associate Mechanical Engineer	
5256 Mechanical Engineer	
5258 Senior Mechanical Engineer	
5502 Project Manager I	
5504 Project Manager II	
5506 Project Manager III	
5508 Project Manager IV	
6335 Disability Access Coordinator	
9195 Light Rail Vehicle Equipment Engineer	
9196 Senior Light Rail Vehicle Equipment Engineer	
9197 Signal & Systems Engineer	
4140 Real Property Officer	3.0%
4142 Senior Real Property Officer	
4143 Principal Real Property Officer	
<u>Public Information Classifications</u>	1.0 %
1312 Public Information Officer	
1314 Public Relations Officer	
1827 Administrative Services Manager	1.0%
<u>Housing Inspector</u>	1.25 %
6270 Housing Inspector	
6272 Senior Housing Inspector	
6274 Chief Housing Inspector	
8240 Police Communication Shift Supervisor	3.5%
1806 Senior Statistician	5.0%

In addition to the internal wage adjustments for the classifications in the above table, the following specific classifications would receive wage adjustments:

- 2458 Forensic Toxicologist would receive an internal wage increase equal to Salary Grade 8110, effective June 30, 2001.



CITY AND COUNTY OF SAN FRANCISCO

Edward Harrington
Controller

Matthew H. Hymel
Chief Assistant Controller

June 7, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 010986
Amendments to Memorandum of Understanding (MOU) with the International Federation of
Professional & Technical Engineers (IFPTE) Local 21

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of amendments to the MOU between the City and County of San Francisco and IFPTE Local 21. The amendments cover the period July 1, 2001 through June 30, 2003, and affect 4,362 budgeted positions with an overall pay and benefits base of \$340.7 million and a budgeted salary base of approximately \$298.5 million.

Based on our analysis, the amendments will result in incremental costs of approximately \$17.9 million in FY 2001-2002, and \$20.0 million in FY 2002-2003. The amendments will result in cost increases of approximately 5.2% above the overall pay and benefits base (approximately 6.0% above base salaries) in FY 2001-2002 and approximately 5.9% above the overall pay and benefits base (6.3% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

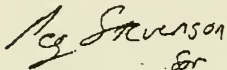
In addition to the wage and benefit provisions in Attachment A, the MOU provides up to eight hours of release time for employees to attend retirement planning seminars and five days of educational leave with pay for rehabilitation professionals. These provisions may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees. The MOU also provides for caps on the accrual, use, and carryover of compensatory time off for exempt employees, which may decrease the number of such time off used, thereby resulting in some overtime and productivity savings. We have not estimated a cost for these provisions at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and productivity costs for this bargaining unit.

The MOU includes language specifying that employees in this bargaining unit who are deemed to be "service critical" by the Municipal Transportation Authority (Muni) will be eligible to receive performance and attendance incentives pursuant to Charter Section 8A.104 (Proposition E). These performance and attendance incentives will be paid from Muni funds and will have no general fund

impact. Individuals would be eligible to receive a maximum of \$375 per quarter if all group and division goals in their unit are achieved.

If you have additional questions or concerns please contact me or Pamela Levin of my staff at 554-7500.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ed Harrington Sr".

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
IFPTE Local 21
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$11,940,758	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$15,038,314
Wage Adjustments	3,001,134	1,981,974
Health		
\$50,000 term life insurance	409,981	0
Additional Premiums and Benefits		
Changes to bilingual, night duty, and acting assignment rates	44,421	964
Employee Development Fund	200,000	0
One additional floating holiday	3,340	159
Pilot Wellness Program¹		
2.5% of accrued sick leave if retiring after July 1, 2002	0	365,795
Wage-Related Fringe Increases	2,285,922	2,651,549
Total Estimated Incremental Costs	<u>\$17,885,558</u>	<u>\$20,038,755</u>
Annual Amount Above 2000-2001 Level	\$17,885,558	\$37,924,310
Cumulative Total Above 2000-2001 Provisions		\$55,809,868
Incremental Cost % of 2000-2001 Total Pay & Benefits	5.2%	5.9%
Incremental Cost % of Base Salary	6.0%	6.3%

¹ Assumes that a similar number of employees retire during contract years as during calendar year 2000. As more members become eligible, this cost would increase. While this program may allow department to reduce overtime hours, we have not estimated an overtime budget decrease related to the Wellness Program at this time.

Item 4 - File 01-0987

Department: Department of Human Resources (DHR)

Item: Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the San Francisco Deputy Sheriff's Association and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Description: The proposed Memorandum of Understanding was referred to mediation, pursuant to San Francisco Charter Section A8.409-4, and a mediated agreement was reached on May 24, 2001.

The proposed Memorandum of Understanding between the San Francisco Deputy Sheriff's Association and the City and County of San Francisco is the successor agreement to the existing MOU which expires on June 30, 2001. The proposed two-year MOU, which is effective from July 1, 2001 through June 30, 2003 covers the following seven classifications, comprising a total of 847 budgeted positions:

8302 - Deputy Sheriff I
8304 - Deputy Sheriff
8306 - Senior Deputy Sheriff
8308 - Sheriff's Sergeant
8310 - Sheriff's Lieutenant
8312 - Sheriff's Captain
8314 - Chief Deputy Sheriff

Major Economic Provisions:

The major economic changes of the new subject MOU from the current MOU include the following:

Wage Increase

The proposed MOU would provide wage increases, totaling 10% over the two-year period to all covered employees as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3%
January 5, 2002	2%
July 1, 2002	2.5%
January 4, 2003	2.5%
Total	10%

Internal Wage Adjustments

Six of the seven classifications covered by this proposed MOU (Class 8304 Deputy Sheriff, Class 8306 Senior Deputy Sheriff, Class 8308 Sheriff's Sergeant, Class 8310 Sheriff's Lieutenant, Class 8312 Sheriff's Captain, and Class 8314 Chief Deputy Sheriff) would receive an additional 2 percent wage adjustment, effective July 1, 2001, for a total wage increase of 5 percent, effective July 1, 2001 and an overall two-year wage increase of 12 percent. Ms. Alice Villagomez of DHR states that these internal wage adjustments were based on a survey conducted by DHR of comparable Bay Area Counties and State and Federal job classifications, including reviewing copies of MOUs with employee organizations, job descriptions and classifications, and associated wage data.

Salary Step Adjustments

- The proposed MOU adds a sixth higher level salary step for Class 8304 Deputy Sheriff.
- All covered employees in Class 8306 through Class 8314 will be advanced to Step Five, effective July 1, 2001. According to Ms. Villagomez, 392 employees will receive a salary step increase on July 1, 2001, under this provision. The Budget Analyst notes that this increase, which equals approximately 5 percent per salary step increase, is in addition to the 5 percent wage increase on July 1, 2001 (3 percent wage increase plus 2 percent internal adjustment).
- Effective July 1, 2002, all employees in Class 8306 through Class 8314 will be paid at a new higher level Sixth Step. Ms. Villagomez states that 470 employees would receive a salary step increase under this provision.

According to Ms. Villagomez, the additional higher level salary steps were justified because surveys conducted by both the City and the Union showed that the wages for classifications covered by the Deputy Sheriffs Association MOU were less than the prevailing market.

Acting Assignment Pay

The proposed MOU modifies the existing Acting Assignment Pay provision, reducing the number of days to qualify for Acting Assignment Pay from 21 days to 11 days, and making Acting Assignment Pay retroactive to the first day of the assignment.

Special Skills and Duty Premiums

- The Officer Training Premium would increase by \$2.12 per hour, from the current rate of \$1.00 per hour when training duties are performed to \$3.12 per hour.
- The Sheriff's Honor/Color Guard Premium would increase by \$200, from \$100 per year to \$300 per year for covered employees who have served a minimum of six months during the year in the Sheriff's Honor/Color Guard.
- The proposed MOU contains a new premium of \$600 per year for covered employees who have been assigned for a minimum of six months during the fiscal year to the Sheriff's Emergency Services Unit. Such employees would be required to wear a Department-assigned pager while off-duty and respond immediately to pages. Employees receiving the Emergency Services Premium would not also be eligible to receive Standby Pay.¹

Shift Differential

Currently, the Deputy Sheriff's MOU provides an 8 percent shift differential for hours worked between 5 p.m. and 7 a.m. Under the proposed MOU, this shift differential would increase to 8.5 percent for hours worked between 4 p.m. and 11 p.m. and to 10 percent for hours worked between 11 p.m. and 7 a.m. This provision is consistent with the Craft Coalition MOUs, approved by the Board of Supervisors on April 30, 2001.

¹ Under the current MOU, covered employees required to be on standby during off-duty hours receive 25 percent of base pay for each hour on standby if not assigned a pager and 10 percent of base pay for each hour on standby if assigned a pager.

Bilingual Pay

Currently, covered members receive a biweekly Bilingual Premium of \$35 per week if they are proficient in Spanish or Chinese. The proposed MOU adds proficiency in a new language, Tagalog, for eligibility for the Bilingual Premium. In addition, the proposed MOU deletes an existing provision that employees must use their language skills for a minimum of 10 hours biweekly to qualify for the Bilingual Premium.

Medical Benefits

The proposed MOU contains the following new provisions for medical benefits:

- The amount of dependent health care coverage paid by the City would increase. Currently, the City pays \$225 per month for dependent health care coverage. Under the proposed MOU, the City's contribution would increase from a flat rate of \$225 per month to a formula equal to 75 percent of the cost of the Kaiser Health Plan rate for two or more dependents. In FY 2001-2002, 75 percent of the Kaiser Health Plan rate for two or more dependents would equal \$279 per month, which is an increase in the amount that the City pays for dependent health care coverage of \$54 per month (\$279 less \$225).
- The City would contribute 100 percent of the premium for the employee portion of health care benefit coverage for employees who do not receive dependent health care benefits
- Effective July 1, 2001, covered employees hired prior to July 1, 2001, would be eligible to receive \$210 cash pay-out per month for 12 months in lieu of the dependent care health benefit set forth above. This provision would be in effect from July 1, 2001 through June 30, 2002, and would expire on June 30, 2002.
- Effective July 1, 2002, employees assigned to Class 8304 Steps 1 through 4, would receive a Dependent Care Health Cash-Out Transition Reimbursement of \$50 bi-weekly. The eligible employees would receive this reimbursement until the employee's next step increase after June 30, 2002 or until January 3, 2003, whichever is sooner.

Release Time for Retirement Seminar

The proposed MOU contains language, providing one day of paid time off during the term of the subject MOU to attend a pre-retirement planning seminar, sponsored by San Francisco Employee's Retirement System (SFERS) or the State's Public Employee's Retirement System (PERS).

Volunteer Parent Release Time

The proposed MOU contains language, granting covered employees 4 hours of paid time off each fiscal year to attend parent teacher conferences. In addition, covered employees may receive up to 40 hours per fiscal year of unpaid time for school activities.

Pilot Wellness Incentive Program

The proposed MOU contains language establishing a Pilot Wellness Program as an incentive to decrease the use of sick leave. Under the Pilot Wellness Program, the employee would be able to receive a cash payment upon retirement for unused sick leave, based upon the employee's salary rate and years of service. The Program enables covered employees to receive 2.5% of accrued sick leave credits times the number of whole years of continuous years of service times the employee's salary rate upon retirement

Uniform Allowance

Under the current MOU, covered employees received a \$725 uniform allowance on September 1, 1999 and a \$750 uniform allowance on September 1, 2000. Under the proposed MOU, covered employees would receive an \$800 uniform allowance on September 1, 2001, and a \$775 uniform allowance on September 1, 2002.

Comments:

1. Ms. Villagomez states that the subject MOU was a mediated agreement reached between the Deputy Sheriff's Association and the City. According to Ms. Villagomez, although the subject MOU was referred to mediation, both parties continued to negotiate until the mediated agreement was reached. Therefore, Mr. Ted Lakey of the City Attorney's Office advises that the proposed mediated settlement is before the Board of Supervisors for approval or rejection.

2. As shown in the Attachment, provided by the Controller's Office, the proposed MOU is estimated to cost the City \$3,866,744 in FY 2001-2002 and an additional \$6,726,699 in FY 2002-2003, as compared to the current FY 2000-2001 costs, resulting in a two-year cumulative cost impact of \$10,593,443.

However, as noted by the Controller's Office, these estimates do not include up to eight hours of time off for employees to attend retirement planning seminars, which may result in additional overtime costs to the City for positions that are backfilled and may result in lost productivity to the City for positions that are not backfilled.

3. The Budget Analyst notes that the current MOU contains existing language, stating that any day declared to be a holiday by proclamation of the Mayor, after such day has been declared a holiday by the Governor or the President of the United States, would be a paid holiday for covered employees. As noted in the Controller's Attachment, if, for example, the City chooses to make Cesar Chavez day a paid holiday during the two-year term of the subject MOU, there may be additional overtime and productivity costs for this bargaining unit.

4. Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for General Fund supported departments would be the City's General Fund Salary and Benefits Reserve Fund of \$46,880,219 that is included in the proposed FY 2001-2002 budget. To the extent that employees covered by the subject MOUs are paid with Special or Enterprise Funds, such as bond funds or Airport Funds, and not with General Fund monies, Ms. Stevenson advises that the required additional wage and benefit costs will be allocated to such Special or Enterprise Funds.

5. As detailed in the table below, the estimated additional FY 2001-2002 costs of the subject MOUs² as compared with current FY 2000-2001 costs is \$44,870,115. The estimated additional costs of these MOUs for FY 2002-2003, as compared with current FY 2000-2001 costs is \$89,096,470. Therefore, the total cumulative two-year costs of these MOUs is \$133,966,585, as shown below.

<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
1	01-0564	Automotive Machinists, Local 1414	\$1,428,809	\$2,946,154	\$4,374,963
2	01-0570	Electrical Workers, Local 6	3,415,904	7,491,750	10,907,654
3	01-0986	In. Fed. of Prof. Tech. Engineers, Local 21	17,885,556	37,924,310	55,809,866
4	01-0987	Deputy Sheriff's Association	3,866,744	6,726,699	10,593,443
5	01-0988	District Attorney Investigators Assoc.	365,129	729,862	1,094,991
6	01-0989	Municipal Attorney's Association	6,375,411	9,244,294	15,619,704
7	01-0990	Municipal Executives' Association	5,111,843	11,418,794	16,530,637
8	01-0991	Probation Officers Association	1,037,789	2,496,171	3,533,960
9	01-0992	Transport Workers Union, Local 20	1,568,233	3,023,524	4,591,758
10	01-0994	Transport Workers Union, Local 250-A	539,975	967,675	1,507,649
11	01-0993	Transport Workers Union, Local 250-A Multi-Unit	544,573	1,028,002	1,572,575
12	01-0995	Teamsters, Local 856	551,424	1,127,633	1,679,057

²Does not include the settlement of grievance filed by SEIU Local 790 (Item 18, File 01-1007) on behalf of Pharmacists and Clinical Pharmacists in an aggregate amount not to exceed \$191,000, which will be funded from the Department of Public Health's FY 2000-2001 budget, and does not include Items 15 and 16, Files 01-0984 and 01-0985 which provide for pass-through of State funds at skilled nursing facilities, which will result in no additional City costs.

Memo to Audit, Labor & Government Efficiency Committee
 June 12, 2001 Audit, Labor & Government Efficiency Committee Meeting

<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
13	01-0996	Amer. Physicians &	1,798,040	3,577,593	5,375,633
14	01-0997	Dentists, Units 8CC & 11-AA			
17	01-0998	SEIU Locals 250,535 & 790, Amendment 2	<u>380,685</u>	<u>394,009</u>	<u>774,695</u>
		Total	\$44,870,115	\$89,096,470	\$133,966,585

Recommendation: Approval of the proposed MOU is a policy matter for the Board of Supervisors.



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
ControllerMatthew H. Hyatt
Chief Assistant Controller

June 7, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number: 010987
Amendments to Memorandum of Understanding with the San Francisco Deputy Sheriff's Association

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of amendments to the Memoranda of Understanding between the City and County of San Francisco and the San Francisco Deputy Sheriff's Association. The amendment covers the period July 1, 2001 through June 30, 2003, and affects 847 budgeted positions with an overall pay and benefits base of approximately \$58.3 million and a salary base of approximately \$49.0 million.

Based on our analysis, the amendments will result in incremental costs of approximately \$3.9 million in FY 2001-2002, and \$3.9 million in FY 2002-2003. The amendments will result in cost increases of approximately 6.6% above the overall pay and benefits base (approximately 7.9% above base salaries) in FY 2001-2002 and approximately 4.9% above the overall pay and benefits base (5.4% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides up to eight hours of release time for employees to attend retirement planning seminars. This provision may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for this provision at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and productivity costs for this bargaining unit.

If you have additional questions or concerns please contact me or Pamela Levin of my staff at 554-7500.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ed Harrington".

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Deputy Sheriff's Association
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$1,961,049	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$2,494,957
Wage Adjustments		
2% effective July 1, 2001 for classes 8304 through 8314	727,955	34,578
Seniority increments	270,030	1,114,622
Health		
Increased dependent coverage to 75% of Kaiser index	241,056	0
Full medically single premium effective July 1, 2001	32,716	0
Eliminate cash in lieu effective June 30, 2002	(151,200)	(1,519,560)
Additional Premiums and Benefits		
Night duty, officer training, emergency services, uniforms	248,515	(13,507)
Pilot Wellness Program¹		
2.5% of accrued sick leave if retiring after July 1, 2002	0	121,184
Wage-Related Fringe Increases	536,623	627,682
Total Estimated Incremental Costs	<u>\$3,866,744</u>	<u>\$2,859,956</u>
Annual Amount Above 2000-2001 Level	\$3,866,744	\$6,726,699
Cumulative Total Above 2000-2001 Provisions		\$10,593,443
Incremental Cost % of 2000-2001 Total Pay & Benefits	6.6%	4.9%
Incremental Cost % of Base Salary	7.9%	5.4%

¹ Assumes that a similar number of employees retire during contract years as during calendar year 2000. As more members become eligible, this cost would increase. While this program may allow departments to reduce overtime hours, we have not estimated an overtime budget decrease related to the Wellness Program at this time.

Item 5 - File 01-0988

Department: Department of Human Resources (DHR)

Item: Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the San Francisco District Attorney's Investigators' Association and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Description: The proposed Memorandum of Understanding (MOU) was referred to mediation, pursuant to San Francisco Charter Section A8.409-4, and a mediated agreement was reached on May 15, 2001.

The proposed Memorandum of Understanding between the San Francisco District Attorney's Investigators' Association and the City and County of San Francisco is the successor agreement to the existing MOU which expires on June 30, 2001. The proposed two-year MOU, which is effective from July 1, 2001 through June 30, 2003, covers the following four classifications, comprising a total of 75 budgeted positions:

8132 District Attorney Investigator Assistant
8146 District Attorney's Investigator
8147 Senior District Attorney's Investigator
8149 Assistant Chief District Attorney's
Investigator

Major Economic Provisions:

The major economic changes of the new subject MOU from the current MOU includes the following:

Wage Increase

The proposed MOU would provide wage increases, totaling 10% over the two-year period to all covered employees as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
July 1, 2002	2.5%
January 4, 2003	2.5%
Total	10.0%

Internal Wage Adjustments

In addition to the 10 percent wage increase noted above, the proposed MOU contains internal wage adjustments of an additional three percent on July 1, 2001 and two percent on July 1, 2002 for the following classifications:

<i>Classification</i>	<i>Internal Wage Adjustment July 1, 2001</i>
8146 District Attorney Investigator	3.0%
8147 Senior District Attorney Investigator	3.0%
8149 Assistant Chief District Attorney's Investigator	3.0%

<i>Classification</i>	<i>Internal Wage Adjustment July 1, 2002</i>
8146 District Attorney Investigator	2.0%
8147 Senior District Attorney Investigator	2.0%
8149 Assistant Chief District Attorney's Investigator	2.0%

The above classifications would therefore receive total wage increases of 15 percent (10% wage increase plus 5% internal adjustments). According to Ms. Villagomez, the internal wage adjustments were based on a survey of comparable Counties and job classifications conducted by a DHR consultant, R and G Consultants, and reviewed by DHR.

Acting Assignment Pay

Under the proposed MOU, acting assignment pay would begin on the 11th day of the assignment, rather than on the 21st day of the assignment as provided in the existing

MOU, and would be retroactive to the first day of the assignment.

Overtime Compensation

The proposed MOU contains new language, excluding the use of any sick leave hours taken off in determining the number of hours worked in excess of forty (40) hours in a week for the purposes of overtime. According to Ms. Alice Villagomez of DHR, this new overtime compensation provision is part of the City's policy to limit the use of unplanned sick leave, which should result in some overtime savings for the City.

Medical Benefits

In the proposed MOU, the amount of dependent health care coverage paid by the City would increase. Currently, the City pays \$225 per month for dependent health care coverage. Under the proposed MOUs, the City's contribution would increase from a flat rate of \$225 per month to a formula equal to 75 percent of the cost of the Kaiser Health Plan rate for two or more dependents. In FY 2001-2002, 75 percent of the Kaiser Health Plan rate for two or more dependents would equal \$279 per month, which is an increase in the amount that the City pays for dependent health care coverage of \$54 per month (\$279 less \$225).

The proposed MOU also contains new language stating that the City shall contribute 100 percent of the premium for the employee's portion of the health care benefit coverage for employees who do not receive dependent health care benefits

Release Time for Retirement Seminar

The proposed MOU contains language, providing one day of paid time off during the term of the subject MOU to attend a pre-retirement planning seminar, sponsored by San Francisco Employees Retirement System (SFERS) or the State's Public Employees Retirement System (PERS).

Volunteer Parent Release Time

The proposed MOU contain language, granting covered employees 4 hours of paid time off each fiscal year to attend parent teacher conferences. In addition, covered

employees may receive up to 40 hours per fiscal year of unpaid time for school activities.

Pilot Wellness Incentive Program

The proposed MOU contains language establishing a pilot wellness program as an incentive to decrease the use of sick leave. Under the pilot wellness program, the employee would be able to receive a cash payment upon retirement for unused sick leave, based upon the employee's salary rate and years of service. The program enables covered employees to receive 2.5% of accrued sick leave credits times the number of whole years of continuous years of service times the employee's salary rate upon retirement

As noted above, Ms. Villagomez states that the pilot wellness incentive program and the proposed language to exclude sick leave from determining eligibility for overtime, are part of the City's effort to decrease the use of unscheduled sick leave and to provide incentives to reduce the amount of sick leave use.

Standby Pay

Covered employees who are assigned standby duty as part of the "officer-involved shooting" team, will receive 18 hours of compensatory time for every week of standby duty assigned, and will be paid the regular rate of pay for all hours called to work during standby duty.

Safety Equipment and Uniforms

In the proposed MOU the reimbursement to covered employees for purchasing safety equipment, or for attending Peace Officer Safety Training (POST), would increase in FY 2001-2002 by \$200 per year, from \$500 to \$700 per year and in FY 2002-2003 to \$750 per year. The proposed MOU contains a new provision, stating that the City would provide employees newly hired to the Department with required uniforms and equipment.

Major Non-Economic

Provisions:

The major non-economic changes in the proposed MOUs as compared with the current MOUs are as follows:

Grievance Procedure

The subject MOU contains language which (a) modifies grievance procedure timelines, (b) specifies that the name of the grievant(s) shall be included in the written grievance document, and (c) eliminates the Adjustment Board, referring grievances that are not resolved at a lower step of the procedure directly to arbitration.

Comments:

1. Ms. Villagomez states that the subject MOU was a mediated agreement reached between the District Attorney Investigators Association and the City. According to Ms. Villagomez, although the subject MOU was referred to mediation, both parties continued to negotiate until the mediated agreement was reached. According to Mr. Ted Lakey of the City Attorney's Office, the proposed mediated agreement is before the Board of Supervisors for approval or rejection.

2. As shown in the Attachment, provided by the Controller's Office, the proposed MOU is estimated to cost the City \$365,129 in FY 2001-2002 and an additional \$729,862 in FY 2002-2003, as compared to current FY 2000-2001 costs resulting in a two-year cumulative cost impact of \$1,094,991.

However, as noted by the Controller's Office, these estimates do not include four hours of parental leave and up to eight hours of release time for employees to attend retirement planning seminars, which may result in additional overtime costs to the City for positions that are backfilled and may result in lost productivity to the City for positions that are not backfilled. Also, the MOU includes a provision excluding sick leave hours when calculating eligibility for overtime which will result in some overtime savings to the City in future years.

3. The Budget Analyst notes that the current MOU contains existing language, stating that any day declared to be a holiday by proclamation of the Mayor, after such day has been declared a holiday by the Governor or the President of the United States, would be a paid holiday

BOARD OF SUPERVISORS

BUDGET ANALYST

for covered employees. As noted in the Controller's Attachment, if, for example, the City chooses to make Cesar Chavez day a paid holiday during the two-year term of the subject MOU, there may be additional overtime and productivity costs for this bargaining unit.

4. Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject MOU increases for General Fund supported departments would be the City's General Fund Salary and Benefits Reserve Fund of \$46,880,219 that is included in the proposed FY 2001-2002 budget. To the extent that employees covered by the subject MOU are paid with Special or Enterprise Funds, such as bond funds or Airport Funds, Ms. Stevenson advises that the required additional wage and benefit costs will be allocated to such Special or Enterprise Funds.

6. As detailed in the table below, the estimated additional FY 2001-2002 costs of the subject MOUs¹ as compared with current FY 2000-2001 costs is \$44,870,115. The estimated additional costs of these MOUs for FY 2002-2003, as compared with current FY 2000-2001 costs is \$89,096,470. Therefore, the total cumulative two-year costs of these MOUs is \$133,966,585, as shown below.

<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
1	01-0564	Automotive Machinists, Local 1414	\$1,428,809	\$2,946,154	\$4,374,963
2	01-0570	Electrical Workers, Local 6	3,415,904	7,491,750	10,907,654
3	01-0986	In. Fed. of Prof. Tech. Engineers, Local 21	17,885,556	37,924,310	55,809,866
4	01-0987	Deputy Sheriffs Association	3,866,744	6,726,699	10,593,443

¹Does not include the settlement of grievance filed by SEIU Local 790 (Item 18, File 01-1007) on behalf of Pharmacists and Clinical Pharmacists in an aggregate amount not to exceed \$191,000, which will be funded from the Department of Public Health's FY 2000-2001 budget, and does not include Items 15 and 16, Files 01-0984 and 01-0985 which provide for pass-through of State funds at skilled nursing facilities, which will result in no additional City costs.

Memo to Audit, Labor & Government Efficiency Committee
June 12, 2001 Audit, Labor & Government Efficiency Committee Meeting

<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
5	01-0988	District Attorney Investigators Assoc.	365,129	729,862	1,094,991
6	01-0989	Municipal Attorney's Association	6,375,411	9,244,294	15,619,704
7	01-0990	Municipal Executives' Association	5,111,843	11,418,794	16,530,637
8	01-0991	Probation Officers Association	1,037,789	2,496,171	3,533,960
9	01-0992	Transport Workers Union, Local 20	1,568,233	3,023,524	4,591,758
10	01-0994	Transport Workers Union, Local 250-A	539,975	967,675	1,507,649
11	01-0993	Transport Workers Union, Local 250-A Multi-Unit	544,573	1,028,002	1,572,575
12	01-0995	Teamsters, Local 856	551,424	1,127,633	1,679,057
13	01-0996	Amer. Physicians &	1,798,040	3,577,593	5,375,633
14	01-0997	Dentists, Units 8CC & 11-AA			
17	01-0998	SEIU Locals 250,535 & 790, Amendment 2	<u>380,685</u>	<u>394,009</u>	<u>774,695</u>
Total			\$44,870,115	\$89,096,470	\$133,966,585

Recommendation: Approval of the proposed MOU is a policy matter for the Board of Supervisors.



CITY AND COUNTY OF SAN FRANCISCO

Attachment
Page 1 of 2
OFFICE OF THE CONTROLLER

Edward Harrington
Controller

Matthew H. Hymel
Chief Assistant Controller

June 6, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 010988
Amendments to Memorandum of Understanding (MOU) with the District Attorney Investigators
Association

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of amendments to the MOU between the City and County of San Francisco and the District Attorney Investigator's Association. The amendments cover the period July 1, 2001 through June 30, 2003, and affect 75 budgeted positions with an overall pay and benefits base of approximately \$4.8 million and a salary base of approximately \$4.6 million.

Based on our analysis, the amendments will result in incremental costs of approximately \$.37 million in FY 2001-2002, and \$.36 million in FY 2002-2003. The amendments will result in cost increases of approximately 7.5% above the overall pay and benefits base (approximately 8.0% above base salaries) in FY 2001-2002 and approximately 7.5% above the overall pay and benefits base (7.5% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides four hours of parental leave and up to eight hours of release time for employees to attend retirement planning seminars. These provisions may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for these provisions at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and productivity costs for this bargaining unit. Finally, the MOU includes a provision excluding sick leave hours when calculating eligibility for overtime which will result in some overtime savings to the City in future years.

If you have additional questions or concerns please contact me or Pamela Levin of my staff at 554-7500.

Sincerely,

Ed Harrington
for
Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
District Attorney Investigator's Association
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$182,445	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$231,887
Wage Adjustments		
3% on July 1, 2001 and 2% on July 1, 2002 for classes 8146, 8147, 8149	88,229	60,584
Health		
Increased dependent coverage to 75% of Kaiser index	22,032	0
Full medically single benefit	6,292	0
Additional Premiums and Benefits		
Safety equipment and training reimbursement	13,800	3,450
Pilot Wellness Program¹		
2.5% of accrued sick leave if retiring after July 1, 2002	0	18,537
Wage-Related Fringe Increases	52,331	52,274
Total Estimated Incremental Costs	<u>\$365,129</u>	<u>\$364,732</u>
Annual Amount Above 2000-2001 Level	\$365,129	\$729,862
Cumulative Total Above 2000-2001 Provisions		\$1,094,991
Incremental Cost % of 2000-2001 Total Pay & Benefits	7.5%	7.5%
Incremental Cost % of Base Salary	8.0%	7.5%

¹Assumes that a similar number of employees retire during contract years as during calendar year 2000. As more members become eligible, this cost would increase. While this program may allow departments to reduce overtime hours, we have not estimated an overtime budget decrease related to the Wellness Program at this time.

Item 6 - File 01-0989

Department: Department of Human Resources (DHR)

Item: Ordinance implementing an arbitration award establishing the terms of the Memorandum of Understanding between the Municipal Attorney's Association of San Francisco, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Description: The proposed Memorandum of Understanding (MOU) was submitted to arbitration pursuant to San Francisco Charter Section A8.409 and an arbitration award was issued on May 14, 2001.

The proposed Memorandum of Understanding between the Municipal Attorney's Association and the City and County of San Francisco is the successor agreement to the existing MOU which expires on June 30, 2001. The proposed two-year MOU, which is effective from July 1, 2001 through June 30, 2003, covers nine classifications, comprising a total of 418 budgeted positions.

Class

8174 Attorney, Civil and Criminal
8176 Trial Attorney, Civil and Criminal
8178 Senior Attorney, Civil and Criminal
8180 Principal Attorney, Civil and Criminal
8181 Assistant Chief Attorney I
8182 Head Attorney, Civil and Criminal
8183 Assistant Chief Attorney II
8190 Attorney, Tax Collector
8193 Chief Attorney I (Civil and Criminal)

Major Economic Provisions:

The major economic changes of the new subject MOU from the current MOU includes the following:

Wage Increase

The proposed MOU would provide wage increases, totaling 10% over the two-year period to all covered employees as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
July 7, 2002	2.5%
January 3, 2003	2.5%
Total	10.0%

Internal Wage Adjustments

All covered classifications would receive a one-time internal wage adjustment of 7.5 percent. The total wage increase over the two-year period, including the wage increase of 10 percent plus the internal wage adjustment of 7.5 percent, would therefore be 17.5 percent for all covered employees.

Severance Pay

Under the proposed MOU, attorneys with 20 years or more of service with the City will receive two weeks of severance pay, compared to the one week of severance pay under the current MOU, for each year of service.

Professional Expenses Reimbursement

Under the proposed MOU, each covered employee would receive a \$1,000 lump sum payment per year to pay professional expenses, including payment of State Bar dues, professional coursework and cellular phone use for work-related phone calls. Under this provision, the City may request an audit of an individual employee's expenditures to determine if the reimbursement funds are used appropriately.

Additionally, in full settlement of outstanding claims relating to the City's obligation to pay State Bar dues under the current MOU, which expires June 30, 2001, the City will pay a one-time lump sum payment of \$350 to each covered employee who is currently employed and has been continuously employed by the City since January of 1998.

Life Insurance

Under the proposed MOU, the City would provide life insurance in the amount of \$150,000 for each covered

employee. Currently, the City does not provide life insurance to covered employees.

Long Term Disability Insurance

Under the proposed MOU, Long Term Disability Insurance would become effective after 90 days, compared to 180 days provided in the current MOU, and would equal 66 percent of the covered employee's pay, rather than 60 percent provided in the current MOU.

Pilot Wellness Incentive Program

The proposed MOU contains language establishing a Pilot Wellness Program as an incentive to decrease the use of sick leave. Under the Pilot Wellness Program, the employee would be able to receive a cash payment upon retirement for unused sick leave, based upon the employee's salary rate and years of service. The Program enables covered employees to receive 2.5% of accrued sick leave credits times the number of whole years of continuous years of service times the employee's salary rate upon retirement.

Comments:

1. Specific provisions of the subject MOU were considered by the Arbitration Board, including (a) the term of the MOU, (b) wage increases, (c) internal wage adjustments, (d) professional expenses reimbursement, (e) Pilot Wellness Program, (f) life insurance, and (g) severance pay. Pursuant to Administrative Code Section 16.216, the Arbitration Board's award is binding on both the City and the Unions. Therefore, according to Mr. Ted Lakey, the City must either approve the proposed MOU or file a legal challenge to the decisions of the Arbitration Board.
2. As noted in Comment 1, the internal wage adjustments in the proposed MOU were awarded by the Arbitration Board and were based upon the Arbitrator's acceptance of the Union's proposal for such internal wage adjustments.
3. As shown in the Attachment, provided by the Controller's Office, the proposed MOU is estimated to cost the City \$6,375,411 in FY 2001-2002 and \$9,244,294 in FY 2002-2003, as compared to the current FY 2000-2001 costs, resulting in a two-year cumulative cost impact of \$15,619,704.

However, as noted by the Controller's Office, these estimates do not include the proposed increase in severance pay, which is estimated to cost approximately an additional \$98,994 assuming the number of employees eligible for such severance pay would remain at historical levels.

4. The Budget Analyst notes that the current MOU contains existing language, stating that any day declared to be a holiday by proclamation of the Mayor, after such day has been declared a holiday by the Governor or the President of the United States, would be a paid holiday for covered employees. As noted in the Controller's Attachment, if, for example, the City chooses to make Cesar Chavez day a paid holiday during the two-year term of the subject MOU, there may be additional overtime and productivity costs for this bargaining unit.

5. Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for General Fund supported departments would be the City's General Fund Salary and Benefits Reserve Fund of \$46,880,219 that is included in the proposed FY 2001-2002 budget. To the extent that employees covered by the subject MOUs are paid with Special or Enterprise Funds, such as bond funds or Airport Funds, and not with General Fund monies, Ms. Stevenson advises that the required additional wage and benefit costs will be allocated to such Special or Enterprise Funds.

6. As detailed in the table below, the estimated additional FY 2001-2002 costs of the subject MOUs¹ as compared with current FY 2000-2001 costs is \$44,870,115. The estimated additional costs of these MOUs for FY 2002-2003, as compared with current FY 2000-2001 costs is \$89,096,470. Therefore, the total cumulative two-year costs of these MOUs is \$133,966,585, as shown below.

¹Does not include the settlement of grievance filed by SEIU Local 790 (Item 18, File 01-1007) on behalf of Pharmacists and Clinical Pharmacists in an aggregate amount not to exceed \$191,000, which will be funded from the Department of Public Health's FY 2000-2001 budget, and does not include Items 15 and 16, Files 01-0984 and 01-0985 which provide for pass-through of State funds at skilled nursing facilities, which will result in no additional City costs.

Memo to Audit, Labor & Government Efficiency Committee
June 12, 2001 Audit, Labor & Government Efficiency Committee Meeting

<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
1	01-0564	Automotive Machinists, Local 1414	\$1,428,809	\$2,946,154	\$4,374,963
2	01-0570	Electrical Workers, Local 6	3,415,904	7,491,750	10,907,654
3	01-0986	In. Fed. of Prof. Tech. Engineers, Local 21	17,885,556	37,924,310	55,809,866
4	01-0987	Deputy Sheriff's Association	3,866,744	6,726,699	10,593,443
5	01-0988	District Attorney Investigators Assoc.	365,129	729,862	1,094,991
6	01-0989	Municipal Attorney's Association	6,375,411	9,244,294	15,619,704
7	01-0990	Municipal Executives' Association	5,111,843	11,418,794	16,530,637
8	01-0991	Probation Officers Association	1,037,789	2,496,171	3,533,960
9	01-0992	Transport Workers Union, Local 20	1,568,233	3,023,524	4,591,758
10	01-0994	Transport Workers Union, Local 250-A	539,975	967,675	1,507,649
11	01-0993	Transport Workers Union, Local 250-A Multi-Unit	544,573	1,028,002	1,572,575
12	01-0995	Teamsters, Local 856	551,424	1,127,633	1,679,057
13	01-0996	Amer. Physicians &	1,798,040	3,577,593	5,375,633
14	01-0997	Dentists, Units SCC & 11-AA			
17	01-0998	SEIU Locals 250,535 & 790, Amendment 2	<u>380,685</u>	<u>394,009</u>	<u>774,695</u>
Total			\$44,870,115	\$89,096,470	\$133,966,585

Recommendation: Approval of the proposed MOU is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
ControllerMatthew H. Hymel
Chief Assistant Controller

June 7, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 010989
Amendments to Memorandum of Understanding (MOU) with the Municipal Attorney's Association

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of amendments to the MOU between the City and County of San Francisco and the Municipal Attorney's Association. The amendments cover the period July 1, 2001 through June 30, 2003, and affect 418 budgeted positions with an overall pay and benefits base of approximately \$46.5 million and a salary base of approximately \$43.3 million.

Based on our analysis, the amendments will result in incremental costs of approximately \$6.4 million in FY 2001-2002, and \$2.9 million in FY 2002-2003. The amendments will result in cost increases of approximately 13.7% above the overall pay and benefits base (approximately 14.7% above base salaries) in FY 2001-2002 and approximately 6.2% above the overall pay and benefits base (5.9% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

The MOU includes a proposed increase in severance pay specifying that employees with more than twenty years of service will receive two weeks' pay for every year of City service above ten years. We have estimated that this change will cost approximately \$98,994 in FY 2001-2002 assuming that the number of employees eligible for severance pay would remain at historical levels. This cost would increase if employees were terminated at greater than historical levels and became eligible for severance pay. Please see Attachment A for detailed cost estimates.

If the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and productivity costs for this bargaining unit.

If you have additional questions or concerns please contact me or Pamela Levin of my staff at 554-7500.

Sincerely,

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Municipal Attorney's Association
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$1,731,342	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$2,320,875
Wage Adjustments		
7.5% Increase effective July 1, 2001	3,246,267	154,198
Health		
\$150,000 term life insurance	26,771	0
Additional Premiums and Benefits		
Retroactive payment of state bar dues	145,950	(145,950)
Professional services reimbursement	367,000	0
Severance pay increase ¹	98,994	4,702
Pilot Wellness Program²		
2.5% of accrued sick leave if retiring after July 1, 2002	0	157,839
Wage-Related Fringe Increases	759,085	377,418
Total Estimated Incremental Costs	<u>\$8,375,411</u>	<u>\$2,868,883</u>
Annual Amount Above 2000-2001 Level	\$8,375,411	\$9,244,294
Cumulative Total Above 2000-2001 Provisions		\$15,619,704
Incremental Cost % of 2000-2001 Total Pay & Benefits	13.7%	6.2%
Incremental Cost % of Base Salary	14.7%	5.9%

¹ Assumes that the number of employees eligible for severance pay would remain at historical levels. This cost would increase if employees were terminated and became eligible for severance pay.

² Assumes that a similar number of employees retire during contract years as during calendar year 2000. As more members become eligible, this cost would increase. While this program may allow department to reduce overtime hours, we have not estimated an overtime budget decrease related to the Wellness Program at this time.

Item 7 - File 01-0990

Department: Department of Human Resources (DHR)

Item: Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the San Francisco Municipal Executive's Association, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Description: The proposed Memorandum of Understanding was referred to mediation, pursuant to San Francisco Charter Section A8.409, and a mediated agreement was reached on May 23, 2001.

The proposed Memorandum of Understanding (MOU) between the Municipal Executive's Association (MEA) and the City and County of San Francisco is the successor agreement to the existing MOU which expires on June 30, 2001. The proposed two-year MOU, which is effective from July 1, 2001 through June 30, 2003, covers a total of 296 employees. Attachment I provides a list of covered classifications and number of employees by bargaining unit.

Major Economic Provisions:

The major economic changes of the new subject MOU from the current MOU includes the following:

Wage Increase

The proposed MOU would provide wage increases, totaling 10% over the two-year period to all covered employees as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
July 1, 2002	2.5%
January 4, 2003	2.5%
Total	10.0%

Internal Wage Adjustments

The proposed MOU contains internal wage adjustments, in addition to the 10 percent wage increase noted above, as follows:

<i>Classification</i>	<i>Internal Wage Adjustment July 1, 2001</i>
1270 Departmental Personnel Officer 1666 Finance Director, DHP 1843 Executive Director, SE Community Facilities Commissioner 2584 Chief Examiner Coroner 8127 Chief Investigator, OCC 8348 Undersheriff	2.0%
1163 Executive Assistant to Director, Health 2969 Human Services Program Manager 8128 Director, OCC 9247 Airport Emergency Planning Coordinator	2.5%
2452 Director of Pharmacy 2455 Director of Pharmacy, LHH	6.0%

In addition to the FY 2001-2002 internal wage adjustments noted above, the following classifications would receive an internal wage adjustment, effective July 1, 2002.

<i>Classification</i>	<i>Internal Wage Adjustment July 1, 2002</i>
1163 Executive Assistant to Director, Health 8128 Director, OCC 9247 Airport Emergency Planning Coordinator	2.5%
1270 Departmental Personnel Officer 1666 Finance Director, DPH 1843 Executive Director, SE Community Facilities Commissioner 8127 Chief Investigator, OCC	2.0%

The proposed internal wage adjustments together with the overall ten percent wage increase will result in total wage increases of up to 16 percent. According to Ms. Alice Villagomez of DHR, the proposed internal wage adjustments for the subject classes are based on maintenance of internal relationships or substantial changes in job duties.

Special Premiums

Class 1146, Clerk of the Board would be paid a special premium of \$550 biweekly , or an additional \$14,300 on an annualized basis, while performing the duties and responsibilities of the Executive Officer of the San Francisco Local Agency Formation Commission (LAFCO), pursuant to California Government Code Section 5600. Ms. Villagomez states that this pay differential would only be applied for duration of time in which the Clerk of the board is performing these duties.

Class 9382, Government and Public Affairs Manager, assigned to the Port of San Francisco would be paid an additional 8 percent of the base salary rate. Ms. Villagomez states that this premium is based on the more complex duties performed by this classification at the Port.

An employee in Class 1071, IS Manager who supervises two or more other employees in Class 1071 would receive a premium of 5 percent of the base pay for Class 1071 if the pay rate of the supervising employee is not more than 5 percent greater than the pay rate of the supervised employees.

Pay for Performance

The aggregate amount of the Pay for Performance bonus would increase by 0.5 percent, from 1.5 percent of the Citywide MEA payroll for the prior fiscal year to 2.0 percent.

Acting Assignment Pay

The proposed MOU contains new language, providing Acting Assignment Pay on the 11th day of the assignment, rather than on the 31st day of the assignment provided by the existing MOU, and such pay would be retroactive to the first day of the assignment.

Shift Differential

Under the proposed MOU, the shift differential would increase from the current rate of 6.25 percent of base pay for hours worked from 5 p.m to 7 a.m to (a) 8.5 percent of base pay for hours worked from 5 p.m. to midnight and (b) 10 percent of base pay for hours worked from midnight to 7 a.m.

Release Time for Retirement Seminar

The proposed MOU contains language, providing one day of paid time off during the term of the subject MOU to attend a pre-retirement planning seminar, sponsored by the San Francisco Employees Retirement System (SFERS) or the State's Public Employee's Retirement System (PERS).

Management Training Fund

Under the proposed MOU, the City would contribute \$100,000 each year for a two-year period for a total of \$200,000 for management training of covered employees. Currently, the MOU provides for contributions of \$66,667 each year.

Pilot Wellness Incentive Program

The proposed MOU contains language establishing a Pilot Wellness Program as an incentive to decrease the use of sick leave. Under the Pilot Wellness Program, the employee would be able to receive a cash payment upon retirement for unused sick leave, based upon the employee's salary rate and years of service. The Program enables covered employees to receive 2.5% of accrued sick leave credits times the number of whole years of continuous years of service times the employee's salary rate upon retirement

Sick Leave with Pay

The proposed MOU contains new language, providing that employees returning from disability leave will accrue sick leave at the regular accrual rate and not at an accelerated rate.

Management Classification/ Compensation Plan

The proposed MOU provides that a new series of classifications would be created under the Management Classification/ Compensation Plan, effective July 1, 2001. Under this plan, the existing five salary step compensation schedule would be replaced with a seven step schedule for affected positions. The new Step 1 would be 10 percent below the existing Step 1 and the Step 2 would be 5 percent below the existing Step 1. Under this plan, the new Step 7 of the proposed seven step salary schedule would equal the same rate of pay of the existing step 5 of the current five step salary plan. In Phase I of the plan, only Special Assistant classifications would be affected. The exempt Special Assistants positions would be reclassified into the corresponding exempt Manager, Deputy Director, and Director job classes, and the provisional Special Assistants would be reclassified to comparable provisional appointments on July 1, 2001. These provisional Civil Service appointments would be made permanent if the individual assigned to that classification passes the required Civil Service exam for the new classification. In addition, the proposed MOU provides that the City and the Association would meet to discuss Phase II of the plan, to consider reclassification of all other MEA positions, with the goal of implementing Phase II of the plan prior to July 1, 2002.

Comments:

1. Ms. Villagomez states that the subject MOU was a mediated agreement reached between the Management Employees Association and the City. According to Ms. Villagomez, although the subject MOU was referred to mediation, both parties continued to negotiate until the mediated agreement was reached. According to Mr. Ted Lakey of the City Attorney's Office, the proposed mediated settlement is before the Board of Supervisors for approval or rejection.

2. As shown in Attachment II, provided by the Controller's Office, the proposed MOU is estimated to cost the City \$5,111,843 in FY 2001-2002 and \$11,418,794 in FY 2002-2003, when compared to FY 2000-2001 costs, resulting in a two-year cumulative cost impact of \$16,530,637.

However, as noted by the Controller's Office, these estimates do not up to eight hours of time off for employees to attend retirement planning seminars, which may result in additional overtime costs to the City for positions that are backfilled and may result in lost productivity to the City for positions that are not backfilled. Also, the proposed MOU contains a new Management Classification/ Compensation Plan for selected classes, which, according to the Controller's Office, is designed to be cost neutral.

3. The Budget Analyst notes that the current MOU contains existing language, stating that any day declared to be a holiday by proclamation of the Mayor, after such day has been declared a holiday by the Governor or the President of the United States, would be a paid holiday for covered employees. As noted in Attachment II, provided by the Controller's Office, if, for example, the City chooses to make Cesar Chavez day a paid holiday during the two-year term of the subject MOU, there may be additional overtime and productivity costs for this bargaining unit.

4. Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for General Fund supported departments would be the City's General Fund Salary and Benefits Reserve Fund of \$46,880,219 that is included in the proposed FY 2001-2002 budget. To the extent that employees covered by the subject MOUs are paid with Special or Enterprise Funds, such as bond funds or Airport Funds, and not with General Fund monies, Ms. Stevenson advises that the required additional wage and benefit costs will be allocated to such Special or Enterprise Funds.

5. As detailed in the table below, the estimated additional FY 2001-2002 costs of the subject MOUs¹ as compared with current FY 2000-2001 costs is \$44,870,115. The estimated additional costs of these MOUs for FY 2002-

¹Does not include the settlement of grievance filed by SEIU Local 790 (Item 18, File 01-1007) on behalf of Pharmacists and Clinical Pharmacists in an aggregate amount not to exceed \$191,000, which will be funded from the Department of Public Health's FY 2000-2001 budget, and does not include Items 15 and 16, Files 01-0984 and 01-0985 which provide for pass-through of State funds at skilled nursing facilities, which will result in no additional City costs.

2003, as compared with current FY 2000-2001 costs is \$89,096,470. Therefore, the total cumulative two-year costs of these MOUs is \$133,966,585, as shown below.

<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
1	01-0564	Automotive Machinists, Local 1414	\$1,428,809	\$2,946,154	\$4,374,963
2	01-0570	Electrical Workers, Local 6	3,415,904	7,491,750	10,907,654
3	01-0986	In. Fed. of Prof. Tech. Engineers, Local 21	17,885,556	37,924,310	55,809,866
4	01-0987	Deputy Sheriff's Association	3,866,744	6,726,699	10,593,443
5	01-0988	District Attorney Investigators Assoc.	365,129	729,862	1,094,991
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7	01-0990	Municipal Executives' Association	5,111,843	11,418,794	16,530,637
8	01-0991	Probation Officers Association	1,037,789	2,496,171	3,533,960
9	01-0992	Transport Workers Union, Local 20	1,568,233	3,023,524	4,591,758
10	01-0994	Transport Workers Union, Local 250-A	539,975	967,675	1,507,649
11	01-0993	Transport Workers Union, Local 250-A Multi-Unit	544,573	1,028,002	1,572,575
12	01-0995	Teamsters, Local 856	551,424	1,127,633	1,679,057
13	01-0996	Amer. Physicians &	1,798,040	3,577,593	5,375,633
14	01-0997	Dentists, Units SCC & 11-AA			
17	01-0998	SEIU Locals 250,535 & 790, Amendment 2	<u>380,685</u>	<u>394,009</u>	<u>774,695</u>
Total			\$44,870,115	\$89,096,470	\$133,966,585

Recommendation: Approval of the proposed MOU is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Appendix A

Municipal Executives Association Represented Job Codes

Job Code	Title	Unit
1071	IS MANAGER	M
1073	IS DIRECTOR	M
1101	DIRECTOR, PARKING AND TRAFFIC COMMISSION	EM
1102	PARKING AUTHORITY ASSISTANT DIRECTOR	M
1103	DIRECTOR, CONVENTION FACILITIES	EM
1104	PARKING AUTHORITY DIRECTOR	M
1105	EXECUTIVE DIRECTOR, RENT ARBITRATION BOARD	EM
1107	DEPUTY DIRECTOR, RENT ARBITRATION BOARD	M
1108	EXECUTIVE DIRECTOR, HEALTH SERVICE SYSTEM	EM
1110	EXECUTIVE ASSISTANT TO THE GENERAL MANAGER, RETIREMENT SYSTEM	M
1111	EXECUTIVE DIRECTOR, RELOCATION APPEALS BOARD	M
1112	RETIREMENT SYSTEM GENERAL MANAGER	EM
1113	DEPUTY DIRECTOR, RETIREMENT SYSTEM	EM
1114	ADMINISTRATOR, RETIREMENT SERVICES	M
1115	CHIEF INVESTMENT OFFICER	M
1118	COMMERCIAL DIVISION MANAGER	M
1120	DIRECTOR OF ANIMAL CARE AND CONTROL	EM
1121	DEPUTY DIRECTOR OF ANIMAL CARE AND CONTROL	M
1125	DIVISION MANAGER, REGISTRAR OF VOTERS	M
1126	PUBLIC ADMINISTRATOR	EM
1128	DIRECTOR OF ELECTIONS	EM
1131	ASSISTANT PUBLIC ADMINISTRATOR, PUBLIC GUARDIAN	M
1132	COUNTY CLERK-RECORDER	EM
1140	DEPUTY CLERK OF THE BOARD OF SUPERVISORS	EM
1142	COUNTY CLERK	M
1146	CLERK OF THE BOARD, LEGISLATIVE ADMINISTRATOR AND CITY CLERK	EM
1160	ASSISTANT DIRECTOR OF PURCHASING AND SERVICES	EM
1161	EXECUTIVE ASSISTANT TO THE ADMINISTRATOR, S.F.G.H.	M
1162	DIRECTOR OF PURCHASING AND SERVICES	EM
1163	EXECUTIVE ASSISTANT TO THE DIRECTOR OF HEALTH	M
1164	ADMINISTRATOR, SFGH MEDICAL CENTER	EM
1168	DIRECTOR OF HEALTH	EM
1172	GENERAL MANAGER OF PUBLIC UTILITIES COMMISSION	EM
1182	CHIEF ADMINISTRATIVE OFFICER	EM
1185	ADMINISTRATIVE SERVICES DIRECTOR	EM

1234	DIRECTOR OF TRAINING	M
1235	MANAGER, EQUAL EMPLOYMENT OPPORTUNITY PROGRAMS	M
1237	TRAINING COORDINATOR	M
1238	ASSISTANT PAYROLL DIRECTOR	M
1239	PAYROLL DIRECTOR (CONTROLLERS)	M
1248	ASSISTANT DIVISION MANAGER, PERSONNEL	M
1270	DEPARTMENTAL PERSONNEL OFFICER	M
1272	SENIOR DEPARTMENTAL PERSONNEL OFFICER	M
1276	DEPARTMENTAL PERSONNEL DIRECTOR	M
1278	DIVISION MANAGER PERSONNEL	EM
1285	EXECUTIVE OFFICER, CIVIL SERVICE COMMISSION	EM
1340	ASSISTANT TO THE GENERAL MANAGER, PUC-PUBLIC RELATIONS	M
1372	SPECIAL ASSISTANT XIII	M-SA
1373	SPECIAL ASSISTANT XIV	M-SA
1374	SPECIAL ASSISTANT XV	M-SA
1375	SPECIAL ASSISTANT XVI	M-SA
1376	SPECIAL ASSISTANT XVII	M-SA
1377	SPECIAL ASSISTANT XVIII	M-SA
1378	SPECIAL ASSISTANT XIX	M-SA
1380	SPECIAL ASSISTANT XXI	M-SA
1381	SPECIAL ASSISTANT XXII	M-SA
1540	SECRETARY, FIRE COMMISSION	M
1554	ADMINISTRATIVE SECRETARY, PUBLIC UTILITIES COMMISSION	M
1556	ADMINISTRATIVE SECRETARY, CITY PLANNING COMMISSION	M
1565	ASSISTANT DIRECTOR, ART COMMISSION	M
1575	EXECUTIVE DIRECTOR, BOARD OF PERMIT APPEALS	EM
1658	CHIEF ACCOUNTANT	M
1660	MANAGER, BUDGET AND PERFORMANCE MONITORING	M
1665	DIRECTOR OF PATIENT ACCOUNTS	M
1666	FINANCE DIRECTOR, DEPARTMENT OF PUBLIC HEALTH	M
1673	ACCOUNTING OPERATIONS MANAGER	M
1674	DIRECTOR OF ACCOUNTING AND SYSTEMS	EM
1675	SUPERVISING FISCAL OFFICER	M
1677	FINANCE BUREAU DIRECTOR, PUBLIC UTILITIES COMMISSION	EM
1679	FINANCIAL REPORTS SPECIALIST	M
1680	CHIEF ASSISTANT CONTROLLER	EM
1682	CONTROLLER	EM
1683	BUDGET & FISCAL OPERATIONS MANAGER	M
1688	CHIEF AUDITOR	M
1690	INTERNAL AUDIT DIRECTOR	EM
1775	CABLE TELEVISION MANAGER	M
1776	ASSISTANT REPRODUCTION SERVICES MANAGER	M

1779	MANAGER, REPRODUCTION AND MAIL SERVICES CENTER	M
1816	ACTUARY	M
1826	CITY SHOP FLEET ADMINISTRATOR	M
1839	WATER CONSERVATION ADMINISTRATOR	M
1841	RATE ADMINISTRATOR	M
1843	EXECUTIVE DIRECTOR, SOUTHEAST COMMUNITY FACILITY COMMISSION	M
1879	PROJECT MANAGER, SPECIAL PROJECT	M
1885	MANAGER, BUREAU OF MANAGEMENT INFORMATION SYSTEMS, PUC	M
1888	RESOURCE EFFICIENCY AND ENERGY CONSERVATION MGR	M
2108	DIRECTOR, MEDICAL STAFF SERVICES DEPARTMENT	M
2116	ASSOCIATE DIRECTOR, MEDICAL RECORDS	M
2117	CHIEF MEDICAL RECORDS ADMINISTRATOR, LAGUNA HONDA HOSPITAL	M
2118	DIRECTOR, MEDICAL RECORDS	M
2122	DIRECTOR OF PATIENT FINANCIAL SERVICES AND ADMISSIONS	M
2140	HOSPITAL ADMINISTRATIVE ASSISTANT	M
2143	HOSPITAL ASSISTANT ADMINISTRATOR	M
2145	HOSPITAL ASSOCIATE ADMINISTRATOR	EM
2148	SENIOR HOSPITAL ASSOCIATE ADMINISTRATOR	EM
2171	ASSOCIATE ADMINISTRATOR, MEDICAL SERVICES, LAGUNA HONDA HOSPITAL	EM
2182	ADMINISTRATOR, LAGUNA HONDA HOSPITAL	EM
2235	MEDICAL DIRECTOR, DEPARTMENT OF HEALTH	EM
2237	CHIEF MEDICAL DIRECTOR, DEPT. OF PUBLIC HEALTH	EM
2244	HEALTH CENTER DIRECTOR	M
2246	ASSISTANT DIRECTOR OF CLINICAL SERVICES I	M
2248	ASSISTANT DIRECTOR OF CLINICAL SERVICES II	M
2452	DIRECTOR OF PHARMACEUTICAL SERVICES	M
2455	PHARMACY DIRECTOR, LAGUNA HONDA HOSPITAL	M
2459	FORENSIC LABORATORY MANAGER	M
2466	CHIEF MICROBIOLOGIST	M
2492	DIRECTOR, PUBLIC HEALTH LABORATORIES	M
2498	DIRECTOR, RADIOLOGY	M
2557	DIRECTOR OF THERAPEUTIC ACTIVITIES, LHH	M
2560	REHABILITATION COORDINATOR	M
2581	MEDICAL EXAMINER'S ADMINISTRATOR	EM
2584	CHIEF MEDICAL EXAMINER	EM
2596	EMPLOYEE REFERRAL PROGRAM DIRECTOR	M
2620	FOOD SERVICE MANAGER ADMINISTRATOR	M
2660	ASSISTANT DIRECTOR, FOOD SERVICES	M
2662	DIRECTOR OF FOOD SERVICES	M

2742	GENERAL SERVICES SUPERVISOR	M
2785	ASSISTANT GENERAL SERVICES MANAGER	M
2786	GENERAL SERVICES MANAGER	M
2804	EPIDEMIOLOGIST III	M
2821	DIRECTOR OF HEALTH PROGRAM PLANNING	M
2850	DIRECTOR OF NUTRITION SERVICES, DPH	M
2880	DIRECTOR OF BUSINESS AND OPERATIONS, MENTAL HEALTH PROGRAMS	M
2891	DEPUTY DIRECTOR FOR BUSINESS & OPERATIONS, DEPARTMENT OF PUBLIC HEALTH	EM
2894	PROGRAM CHIEF, COMMUNITY PUBLIC HEALTH SERVICES	EM
2895	DEPUTY DIRECTOR FOR MENTAL HEALTH PROGRAMS	EM
2896	DEPUTY DIRECTOR OF COMMUNITY HEALTH PROGRAMS	EM
2925	CHIEF MEDICAL SOCIAL SERVICES	M
2947	HOSPITAL ELIGIBILITY MANAGER, DEPT. OF PUBLIC HEALTH	M
2964	DIRECTOR, BUDGET AND PLANNING, DEPT. OF HUMAN SERVICES	M
2965	HUMAN SERVICES RESOURCE MANAGER	M
2968	SOCIAL SERVICES MANAGER, INVESTIGATIONS	M
2969	HUMAN SERVICES PROGRAM MANAGER	M
2973	DEPUTY DIRECTOR, DEPARTMENT OF HUMAN SERVICES	EM
2974	EXECUTIVE DIRECTOR, DEPARTMENT OF HUMAN SERVICES	EM
2985	DEPUTY DIRECTOR, COMMISSION ON THE AGING	EM
2986	DIRECTOR, HUMAN RIGHTS COMMISSION	EM
2988	DIRECTOR, AGING PROGRAM	EM
2999	EXECUTIVE DIRECTOR, COMMISSION ON THE STATUS OF WOMEN	EM
3110	SECRETARY, RECREATION AND PARK COMMISSION	M
3130	ARBORETUM DIRECTOR	M
3135	DIRECTOR OF NEIGHBORHOOD SERVICES, RECREATION AND PARK DEPARTMENT	M
3138	ASSISTANT GENERAL MANAGER FOR ADMINISTRATION	EM
3140	GENERAL MANAGER, RECREATION AND PARK DEPARTMENT	EM
3231	GOLF PROGRAM DIRECTOR	M
3233	MARINA ASSOCIATE MANAGER	M
3294	RECREATION SUPERINTENDENT	EM
3338	ASSISTANT ZOO DIRECTOR, OPERATIONS AND MAINTENANCE	M
3350	PARKS SUPERINTENDENT	EM
3426	FORESTER	M
3453	ASST AGRICULTURAL COMMISSIONER-SEALER OF WEIGHTS AND MEASURES	M
3456	COUNTY AGRICULTURAL COMMISSIONER AND SEALER OF WEIGHTS AND MEASURES	EM
3464	AREA SUPERVISOR, PARKS, SQUARES AND FACILITIES	M

3466	ASSISTANT SUPERINTENDENT, PARKS, SQUARES AND FACILITIES	M
3486	WATERSHED FORESTER	M
3488	WATERSHED RESOURCES MANAGER	M
3547	CURATOR V	M
3562	DIRECTOR, CULTURAL AFFAIRS	EM
3563	DIRECTOR, NEIGHBORHOOD ART PROGRAM, ART COMMISSION	M
3570	DIRECTOR AND CHIEF CURATOR OF MUSEUMS	EM
3587	DEPUTY DIRECTOR FOR ADMINISTRATION AND DEVELOPMENT, MUSEUMS	EM
3636	LIBRARIAN IV	M
3668	DEPUTY CITY LIBRARIAN	EM
3670	CITY LIBRARIAN	EM
4120	ASSISTANT MANAGING DIRECTOR, WAR MEMORIAL PERFORMING ARTS CENTER	M
4124	MANAGING DIRECTOR, WAR MEMORIAL PERFORMING ARTS CENTER	EM
4144	ASSISTANT DIRECTOR OF PROPERTY	EM
4150	DIRECTOR OF PROPERTY	EM
4212	CHIEF, TECHNICAL AND ASSESSMENT SERVICES	M
4226	CHIEF PERSONAL PROPERTY AUDITOR	M
4256	CHIEF OF ASSESSMENT STANDARDS	M
4269	CHIEF APPRAISER	M
4282	CHIEF ASSISTANT ASSESSOR	EM
4294	ADMINISTRATOR, ASSESSMENT APPEALS BOARD	M
4310	COMMERCIAL DIVISION ASSISTANT SUPERVISOR	M
4311	CUSTOMER SERVICE BILLING & COLLECTIONS SUPERVISOR	M
4333	SENIOR INVESTMENT OFFICER	M
4349	DIRECTOR OF REAL ESTATE, TAX COLLECTOR'S OFFICE	M
4368	DIRECTOR, BUREAU OF DELINQUENT REVENUE	M
4373	DEPUTY TAX ADMINISTRATOR	EM
4374	TAX ADMINISTRATOR	EM
4377	ASSISTANT CASH MANAGEMENT AND INVESTMENT	M
4378	CASH MANAGEMENT AND INVESTMENT OFFICER	M
4384	CHIEF ASSISTANT TREASURER	EM
5102	PUBLIC BUILDINGS MAINTENANCE AND REPAIR ASSISTANT SUPERINTENDENT	M
5103	OPERATIONS BUREAU SUPT., PUBLIC WORKS	M
5105	MANAGER, FINANCE AND ADMINISTRATION, CITY PLANNING	M
5109	DEPUTY ZONING ADMINISTRATOR	M
5112	ASSISTANT DIRECTOR OF PLANNING - IMPLEMENTATION (ZONING ADMINISTRATOR)	EM
5116	DIRECTOR OF PLANNING	EM
5122	ASSISTANT CITY ARCHITECT	M

5125	BUREAU MANAGER	M
5132	MANAGER, BUREAU OF WATER POLLUTION CONTROL	M
5133	PROGRAM MANAGER II	M
5135	ASSISTANT SUPERINTENDENT OF STREET AND SEWER REPAIR	M
5137	MAINTENANCE ENGINEERING MANAGER, HETCH HETCHY PROJECT	M
5138	PROGRAM MANAGER I	M
5150	SITE MANAGER	M
5156	UTILITY SERVICES MANAGER	M
5162	PROGRAM MANAGER III	M
5166	ASSISTANT GENERAL MANAGER, PUBLIC UTILITIES	EM
5173	STREET ENVIRONMENTAL SERVICES ASSISTANT SUPERINTENDENT	M
5180	DEPUTY DIRECTOR, DEPT. OF BUILDING INSPECTION	EM
5181	DIRECTOR, DEPT. OF BUILDING INSPECTION	EM
5182	DEPUTY DIRECTOR OF PUBLIC WORKS AND ENGINEERING	EM
5185	GENERAL MANAGER, HETCH HETCHY PROJECT	EM
5186	FINANCIAL MANAGER	M
5189	MANAGER, UTILITIES ENGINEERING BUREAU, PUBLIC UTILITIES COMMISSION	EM
5190	DIRECTOR OF PUBLIC WORKS	EM
5191	CHIEF, BUREAU OF SUBDIVISIONS, SURVEYS AND MAPPING	M
5192	ASSISTANT TO DIRECTOR OF PUBLIC WORKS	M
5193	DEPUTY DIRECTOR OF PUBLIC WORKS FOR FINANCIAL MANAGEMENT & ADMINISTRAT	EM
5194	DEPUTY DIRECTOR OF PUBLIC WORKS FOR OPERATION	EM
5212	PRINCIPAL ENGINEER	M
5246	RADIO ENGINEER	M
5634	WATER & POWER RESOURCES MANAGER	M
6126	DIRECTOR, BUREAU OF ENVIRONMENTAL HEALTH SERVICES	M
6127	ASSISTANT DIRECTOR, BUREAU OF ENVIRONMENTAL HEALTH SERVICES	M
6141	MANAGER, OFFICE OF HEALTH AND SAFETY	M
7102	MAINTENANCE AND REPAIR ASSISTANT SUPERINTENDENT, HETCH HETCHY PROJECT	M
7123	PARKING METER AND MACHINE SHOP MANAGER	M
7125	ELECTRICAL OPERATION AND MAINTENANCE SUPERINTENDENT, H. H. PROJECT	M
7130	GENERAL SUPERINTENDENT, FACILITIES MAINTENANCE	M
7140	DIRECTOR, PARKING AND TRAFFIC OPERATIONS	EM
7150	CITY SHOPS GENERAL SUPERINTENDENT	M
7202	ASSISTANT PARK SUPERINTENDENT FOR STRUCTUAL MAINTENANCE	M

7212	AUTOMOTIVE TRANSIT EQUIPMENT SUPERVISOR	M
7263	MAINTENANCE MANAGER	M
7283	TRACK MAINTENANCE SUPERINTENDENT, MUNICIPAL RAILWAY	M
8127	CHIEF INVESTIGATOR, OFFICE OF CITIZEN COMPLAINTS	M
8128	DIRECTOR, OFFICE OF CITIZEN COMPLAINTS	EM
8148	CHIEF DISTRICT ATTORNEY'S INVESTIGATOR	M
8150	PRINCIPAL DISTRICT ATTORNEY'S INVESTIGATOR, SPECIAL UNIT	M-DAI
8153	PRINCIPAL CLAIMS INVESTIGATOR, CITY ATTORNEY'S OFFICE	M
8155	CHIEF, BUREAU OF CLAIMS INVESTIGATION AND ADMINISTRATION	M
8160	ASSISTANT CHIEF, FAMILY SUPPORT INVESTIGATOR	M
8166	WORKER'S COMPENSATION CLAIMS MANAGER	M
8171	LAW OFFICE MANAGER	M
8184	CHIEF ATTORNEY II (CIVIL AND CRIMINAL)	EM
8185	DIRECTOR, CHILD SUPPORT SERVICES	EM
8186	ATTORNEY FOR THE PUBLIC ADMINISTRATOR	M
8187	CHIEF, FAMILY SUPPORT INVESTIGATOR	M
8220	DIRECTOR, PARKING ENFORCEMENT	M
8221	CHIEF OF PROTECTIVE SERVICES, TRANSPORTATION COMMISSION	M
8245	COMMUNICATIONS MANAGER, S.F. POLICE DEPARTMENT	M
8313	ADMINISTRATOR OF PRISONER SERVICES	M
8315	ASSISTANT SHERIFF	EM
8326	ASSISTANT DIRECTOR, LOG CABIN RANCH	M
8330	DIRECTOR, LOG CABIN RANCH	M
8336	MANAGER, FINANCE AND ADMINISTRATION, JUVENILE PROBATION	M
8340	ASSISTANT DIRECTOR, JUVENILE HALL	M
8344	DIRECTOR, JUVENILE HALL	EM
8348	UNDERSHERIFF	EM
8413	ASST. CHIEF PROBATION OFFICER, JUVENILE PROBATION	M
8416	DIRECTOR, PROBATION SERVICES	EM
8417	DIRECTOR, COMMUNITY PROGRAMS, JUVENILE PROBATION	M
8418	CHIEF PROBATION OFFICER, JUVENILE COURT	EM
8435	DIVISION DIRECTOR, ADULT PROBATION	EM
8436	CHIEF ADULT PROBATION OFFICER	EM
8470	EXECUTIVE DIRECTOR, COUNTY PAROLE COMMISSION	M
8488	DIRECTOR, CRIME PREVENTION PROGRAM	M
9142	TRANSIT MANAGER III	M
9143	SENIOR OPERATIONS MANAGER	M
9146	MANAGER, ACCESSIBLE SERVICES	M
9161	ASST. CHIEF, BUREAU OF CLAIMS INVEST. & ADMINISTRATION	M
9184	DEPUTY GENERAL MANAGER, PUBLIC TRANSPORTATION DEPT.	EM

9185	CHIEF OPERATING OFFICER, PUBLIC TRANSPORTATION DEPT.	EM
9186	GENERAL MANAGER, PUBLIC TRANSPORTATION DEPT.	EM
9189	DIRECTOR OF PLANNING, MUNICIPAL RAILWAY	M
9205	AIRPORT COMMUNICATIONS COORDINATOR	M
9222	AIRPORT OPERATIONS COORDINATOR	M
9226	AIRPORT OPERATIONS SUPERINTENDENT	M
9247	AIRPORT EMERGENCY PLANNING COORDINATOR	M
9248	AIRPORT FACILITIES SERVICES MANAGER	M
9252	AIRPORT MAINTENANCE SUPERINTENDENT	M
9253	DIRECTOR, BUREAU OF COMMUNITY AFFAIRS	M
9254-	ASSISTANT TO THE DIRECTOR, PUBLIC AFFAIRS	M
9256	AIRPORT ASSISTANT DEPUTY DIRECTOR, OPERATIONS	M
9258	AIRPORT ASSISTANT DEPUTY DIRECTOR, BUSINESS AND FINANCE	M
9260	AIRPORT ASSISTANT DEPUTY DIRECTOR, FACILITIES OPERATIONS & MAINTENANCE	M
9270	AIRPORT DEPUTY DIRECTOR	EM
9278	DIRECTOR OF AIRPORTS	EM
9357	MARITIME OPERATIONS MANAGER	M
9363	SUPERINTENDENT OF HARBOR MAINTENANCE	M
9364	GENERAL SUPERINTENDENT OF HARBOR MAINTENANCE	M
9373	MANAGER OF MARKETING	EM
9374	MANAGER, PORT PLANNING AND DEVELOPMENT	M
9375	ASSISTANT DEPUTY DIRECTOR, PORT	M
9378	DEVELOPMENT PROJECT COORDINATOR, PORT	M
9379	CHIEF HARBOR ENGINEER	EM
9382	GOVERNMENT AND PUBLIC AFFAIRS MANAGER	M
9386	SENIOR PROPERTY MANAGER, PORT	M
9390	EXECUTIVE ASSISTANT TO THE PORT DIRECTOR	M
9396	MANAGER, LEASING AND TENANT SERVICES	M
9397	DEPUTY DIRECTOR, PORT	EM
9398	MANAGER, REGULATORY AND ENVIRONMENTAL AFFAIRS	M



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
Controller

Matthew H. Hymel
Chief Assistant Controller

June 7, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 010990
Amendment to Memorandum of Understanding (MOU) with The Municipal Executives Association

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and The Municipal Executives Association. The amendment covers the period July 1, 2001 through June 30, 2003, and affects 1008 budgeted positions with an overall pay and benefits base of approximately \$112 million and a salary base of approximately \$98 million.

Based on our analysis, the amendment will result in incremental costs of approximately \$5.1 million in FY 2001-2002, and \$6.3 million in FY 2002-2003. The amendment will result in cost increases of approximately 4.6% above the overall pay and benefits base (approximately 5.2% above base salaries) in FY 2001-2002 and approximately 5.6% above the overall pay and benefits base (approximately 6.2% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides up to eight hours of release time for employees to attend retirement planning seminars. This provision may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for this provision at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and productivity costs for this bargaining unit.

The MOU also includes a new Management Classification/Compensation Plan for selected classes to replace the current five-step grade and salary plan with a seven-step system. This provision is designed to be cost neutral with Step 1 and Step 2 of the new seven-step system set at 10% and 5% lower than that of the current five-step system respectively.

If you have additional questions or concerns please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,



Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Municipal Executives Association
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$3,921,902	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$4,847,842
Wage Adjustments		
Internal adjustment	90,374	64,976
Additional adjustments made during term of MOU	0	451,903
Additional Premiums and Benefits		
Elimination of standby pay, increase in management training funds, premiums for selected classes	(11,360)	0
Performance Incentive Program		
0.5% cap increase	434,522	17,381
Pilot Wellness Program¹		
2.5% of accrued sick leave if retiring after July 1, 2002	0	90,306
Wage-Related Fringe Increases	676,404	834,542
Total Estimated Incremental Costs	<u>\$5,111,843</u>	<u>\$6,306,951</u>
Annual Amount Above 2000-2001 Level	\$5,111,843	\$11,418,794
Cumulative Total Above 2000-2001 Provisions		\$16,530,637
Incremental Cost % of 2000-2001 Total Pay & Benefits	4.6%	5.6%
Incremental Cost % of Base Salary	5.2%	6.2%

¹ Assumes that a similar number of employees retire during contract years as during calendar year 2000. As more members become eligible, this cost would increase. While this program may allow departments to reduce overtime hours, we have not estimated an overtime budget decrease related to the Wellness Program at this time.

Item 8 - File 01-0991

Department: Department of Human Resources (DHR)

Items: Ordinance implementing an arbitration award establishing the terms of the Memorandum of Understanding between the San Francisco Deputy Probation Officers' Association, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Description: The proposed Memorandum of Understanding (MOU) was submitted to arbitration pursuant to San Francisco Charter Section A8.409 and an arbitration award was issued on May 3, 2001.

The proposed Memorandum of Understanding (MOU) between the San Francisco Deputy Probation Officers' Association and the City and County of San Francisco is the successor agreement to the existing MOU which expires on June 30, 2001. The proposed two-year MOU, which is effective from July 1, 2001 through June 30, 2003, covers one classification, comprising a total of 168 budgeted positions, as follows:

Class 8444 Deputy Probation Officer

Major Economic Provisions:

The major economic changes of the new subject MOU from the current MOU includes the following:

Wage Increase

The proposed MOU would provide wage increases, totaling 10% over the two-year period to all covered employees as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
July 1, 2002	2.5%
January 4, 2003	2.5%
Total	10.0%

Internal Wage Adjustments

In addition to the 10 percent wage increase noted above, all covered employees would receive four internal wage adjustments of 3.5 percent each, totaling 14 percent over the two-year term of the subject MOU. The total wage increase for all covered employees over the two-year term of the subject MOU, including the wage increase and the internal wage adjustment, would be 24 percent, as shown in the table below:

<i>Effective Date</i>	<i>Internal Wage Adjustment</i>	<i>Total Increase, including Wage Increase plus Internal Adjustment</i>
July 1, 2001	3.5%	6.5%
January 5, 2002	3.5%	5.5%
July 7, 2002	3.5%	6.0%
January 3, 2003	3.5%	6.0%
Total	14%	24%

Acting Assignment Pay

Acting Assignment Pay would begin on the 11th day of the assignment, rather than on the 21st day of the assignment under the current MOU, and would be retroactive to the first day of the assignment.

Overtime Compensation

The proposed MOU modifies existing language, which would make covered employees eligible for overtime pay for hours worked in excess of 40 hours in a week. This modifies the current language, which states that covered employees are eligible for overtime pay for hours worked in excess of 86 hours in a pay period.

Medical Benefits

The proposed MOU contains new language stating that the City shall contribute 100 percent of the premium for the employee's portion of health care benefit coverage for employees who do not receive dependent health care benefits

Release Time for Retirement Seminar

The proposed MOU contains language, providing one day of paid time off during the term of the subject MOU to attend a pre-retirement planning seminar, sponsored by

BOARD OF SUPERVISORS

BUDGET ANALYST

the San Francisco Employees Retirement System (SFERS) or the State's Public Employee's Retirement System (PERS).

Major Non-Economic Provisions:

The major non-economic changes in the proposed MOUs as compared with the current MOUs are as follows:

Labor Management Committee

The proposed ordinance would establish a pilot labor management committee for Adult and Juvenile Probation to discuss matters of concern to the Association and the Departments.

Personnel Files

The proposed MOU contains new language, stating that written reprimands would not be considered after a period of 2 years and disciplinary suspensions would not be considered after a period of 4 years for purposes of promotion, transfer, or special assignments. This provision would not apply to employees disciplined for misappropriating public funds, misusing public property, use of alcohol or illegal substances at work, and other such acts.

Work Schedules

The proposed MOU provides that the City and the Association would meet and confer over implementation of cost-effective alternative work schedules.

Past Practices

The subject MOU contains new language, stating that all past practices and understandings not specifically contained within the MOU would no longer be enforceable.

Comments:

1. Specific provisions of the subject MOU were considered by the Arbitration Board, including (a) acting assignment pay, (b) past practices, (c) wage increases, (d) internal wage adjustments, and (e) personnel files. Pursuant to Administrative Code Section 16.216, the Arbitration Board's award is binding on both the City and the Unions. Therefore, Mr. Ted Lakey of the City Attorney's Office advises that the City must either approve the subject

MOUs or file a legal challenge to decisions of the Arbitration Board.

2. As noted in Comment 1, the internal wage adjustments in the proposed MOU were awarded by the Arbitration Board and were based upon the Arbitrator's acceptance of the Union's proposal for such internal wage adjustments.

3. As shown in the Attachment, provided by the Controller's Office, the proposed MOU is estimated to cost the City \$1,037,789 in FY 2001-2002 and \$2,496,171 in FY 2002-2003 when compared to FY 2000-01, resulting in a two-year cumulative cost impact of \$3,533,960.

However, as noted by the Controller's Office, these estimates do not include the eight hours of time off for employees to attend retirement planning seminars, which may result in additional overtime costs to the City for positions that are backfilled and may result in lost productivity to the City for positions that are not backfilled.

4. The Budget Analyst notes that the current MOU contains existing language, stating that any day declared to be a holiday by proclamation of the Mayor, after such day has been declared a holiday by the Governor or the President of the United States, would be a paid holiday for covered employees. As noted in the Controller's Attachment, if, for example, the City chooses to make Cesar Chavez day a paid holiday during the two-year term of the subject MOU, there may be additional overtime and productivity costs for this bargaining unit.

5. Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for General Fund supported departments would be the City's General Fund Salary and Benefits Reserve Fund of \$46,880,219 that is included in the proposed FY 2001-2002 budget. To the extent that employees covered by the subject MOUs are paid with Special or Enterprise Funds, such as bond funds or Airport Funds, and not with General Fund monies, Ms. Stevenson advises that the required additional wage and benefit costs will be allocated to such Special or Enterprise Funds.

6. As detailed in the table below, the estimated additional FY 2001-2002 costs of the subject MOUs¹ as compared with current FY 2000-2001 costs is \$44,870,115. The estimated additional costs of these MOUs for FY 2002-2003, as compared with current FY 2000-2001 costs is \$89,096,470. Therefore, the total cumulative two-year costs of these MOUs is \$133,966,585, as shown below.

Item No.	File No.	Employee Bargaining Unit	FY 2001-2002	FY 2002-2003	Cumulative
1	01-0564	Automotive Machinists, Local 1414	\$1,428,809	\$2,946,154	\$4,374,963
2	01-0570	Electrical Workers, Local 6	3,415,904	7,491,750	10,907,654
3	01-0986	In. Fed. of Prof. Tech. Engineers, Local 21	17,885,556	37,924,310	55,809,866
4	01-0987	Deputy Sheriff's Association	3,866,744	6,726,699	10,593,443
5	01-0988	District Attorney Investigators Assoc.	365,129	729,862	1,094,991
6	01-0989	Municipal Attorney's Association	6,375,411	9,244,294	15,619,704
7	01-0990	Municipal Executives' Association	5,111,843	11,418,794	16,530,637
8	01-0991	Probation Officers Association	1,037,789	2,496,171	3,533,960
9	01-0992	Transport Workers Union, Local 20	1,568,233	3,023,524	4,591,758
10	01-0994	Transport Workers Union, Local 250-A	539,975	967,675	1,507,649
11	01-0993	Transport Workers Union, Local 250-A Multi-Unit	544,573	1,028,002	1,572,575
12	01-0995	Teamsters, Local 856	551,424	1,127,633	1,679,057

¹Does not include the settlement of grievance filed by SEIU Local 790 (Item 18, File 01-1007) on behalf of Pharmacists and Clinical Pharmacists in an aggregate amount not to exceed \$191,000, which will be funded from the Department of Public Health's FY 2000-2001 budget, and does not include Items 15 and 16, Files 01-0984 and 01-0985 which provide for pass-through of State funds at skilled nursing facilities, which will result in no additional City costs.

Memo to Audit, Labor & Government Efficiency Committee
June 12, 2001 Audit, Labor & Government Efficiency Committee Meeting

<u>Item</u> <u>No.</u>	<u>File No.</u>	<u>Employee</u> <u>Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
13	01-0996	Amer. Physicians &	1,798,040	3,577,593	5,375,633
14	01-0997	Dentists, Units 8CC & 11-AA			
17	01-0998	SEIU Locals 250,535 & 790, Amendment 2	<u>380,685</u>	<u>394,009</u>	<u>774,695</u>
		Total	\$44,870,115	\$89,096,470	\$133,966,585

Recommendation: Approval of the proposed MOU is a policy matter for the Board of Supervisors.



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
Controller

Matthew H. Hyme
Chief Assistant Controller

June 7, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File number 010991
Amendment to Memorandum of Understanding (MOU) with San Francisco Deputy Probation
Officers' Association

Dear Ms. Young:

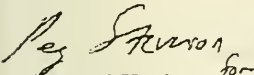
In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and San Francisco Deputy Probation Officers' Association. The amendment covers the period July 1, 2001 through June 30, 2003, and affects 168 budgeted positions with an overall pay and benefits base of approximately \$12.2 million and a salary base of approximately \$10.6 million.

Based on our analysis, the amendment will result in incremental costs of approximately \$1.0 million in FY 2001-2002, and \$1.5 million in FY 2002-2003. The amendment will result in cost increases of approximately 8.5% above the overall pay and benefits base (approximately 11.0% above base salaries) in FY 2001-2002 and approximately 12.0% above the overall pay and benefits base (approximately 13.8% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides up to eight hours of release time for employees to attend retirement planning seminars. This provision may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for this provision at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and productivity costs for this bargaining unit.

If you have additional questions or concerns please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ed Harrington", with a small "for" written below it.

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
SF Deputy Probation Officers' Association
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$395,813	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$522,947
Wage Adjustments		
Internal adjustments - 7/1/01 (3.5%)	329,189	
Internal adjustments - 1/5/02 (3.5%)	175,466	175,466
Internal adjustments - 7/1/02 (3.5%)		370,479
Internal adjustments - 1/4/03 (3.5%)		196,516
Wage-Related Fringe Increases	137,321	192,975
Total Estimated Incremental Costs	\$1,037,789	\$1,458,382
Annual Amount Above 2000-2001 Level	\$1,037,789	\$2,496,171
Cumulative Total Above 2000-2001 Provisions		\$3,533,960
Incremental Cost % of 2000-2001 Total Pay & Benefits	8.5%	12.0%
Incremental Cost % of Base Salary	11.0%	13.8%

Items 9 and 10 - Files 01-0992 and 01-0994

Department: Department of Human Resources (DHR)

Items: Item 9, File 01-0992

Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the Transport Worker's Union of America, Local 200, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Item 10, File 01-0994

Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the Transport Worker's Union of America, Local 250-A, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Description: The proposed Memoranda of Understanding (MOUs) were referred to mediation, pursuant to San Francisco Charter Section A8-409, and mediated agreements were reached on May 22, 2001 (File 01-0992) and May 25, 2001 (File 01-0991).

File 01-0992

The proposed MOU between Transport Worker's Union (TWU) Local 200 and the City and County of San Francisco is the successor agreement to the existing MOU which expires on June 30, 2001. The proposed two-year MOU, which is effective from July 1, 2001 through June 30, 2003, covers 12 classifications, comprising a total of 316 budgeted positions. Attachment I provides a list of covered classifications and number of employees by bargaining unit.

File 01-0994

The proposed MOU between Transport Worker's Union (TWU) Local 250-A and the City and County of San Francisco is the successor agreement to the existing MOU which expires on June 30, 2001. The proposed two-year MOU, which is effective from July 1, 2001 through June 30, 2003, covers 2 classifications, comprising a total of 126 budgeted positions. Attachment I provides a list of

BOARD OF SUPERVISORS
BUDGET ANALYST

covered classifications and the estimated number of employees covered by these two bargaining units.

Major Economic Provisions:

The major economic changes of the new subject MOU from the current MOU includes the following:

Wage Increase (File 01-0992 and 01-0994)

The proposed MOU would provide wage increases, totaling 10% over the two-year period to all covered employees.

For all classifications, except Class 9139 Transit Supervisor I, covered employees would receive a ten percent wage increase on the following schedule.

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
July 1, 2002	2.5%
January 4, 2003	2.5%
Total	10.0%

Class 9139 Transit Supervisor I would receive a 10 percent wage increase on the following schedule:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	5.5%
July 1, 2002	4.5%
Total	10.0%

Internal Wage Adjustments (File 01-0992 and 01-0994)

In addition to the 10 percent wage increase noted above, the proposed MOUs would provide internal wage adjustments to specific classifications as follows:

<i>Classification</i>	<i>Internal Wage Adjustment July 1, 2001</i>
7412 Automotive Service Worker Assistant Supervisor	1.5%
8126 Senior Investigator, OCC	2.5%
9141 Transit Manager	2.5%
9173 Systems Safety Inspector	0.5%
7410 Automotive Service Worker	2.5%

In addition to the internal wage adjustments, effective July 1, 2001, for the specific classifications noted above, the following classifications would receive internal wage adjustments, effective July 1, 2002:

<i>Classification</i>	<i>Internal Wage Adjustment July 1, 2002</i>
7412 Automotive Service Worker Assistant Supervisor	1.5%
7410 Automotive Service Worker	1.5%

Based on these proposed internal wage adjustments, together with the proposed ten percent overall wage increase, employees would receive a total of up to 14 percent wage increase:

According to Ms. Alice Villagomez of HRD, the internal wage adjustments were based on maintenance of internal wage differential among classifications.

Acting Assignment Pay (Files 01-0992 and 01-0994)

The proposed TWU Local 200 MOU modifies existing language, making acting assignment pay retroactive to the first day of the assignment (File 01-0992). The proposed TWU Local 250-A MOU contains new language, providing acting assignment pay effective on the 11th day of the assignment, retroactive to the first day.

Miscellaneous Premiums (File 01-0994)

The TWU Local 250-A MOU would increase the Tire, Steam Cleaning, Tow Truck, and Emergency Road Repair premiums by \$0.25 per hour, from \$0.50 per hour to \$0.75 per hour, effective July 1, 2001, and from \$0.75 per hour to \$1.00 per hour, effective July 1, 2002.

Overtime (File 01-0992)

The proposed MOU with TWU Local 200 contains a new provision which includes floating holidays and furlough days as days worked when determining eligibility for overtime. This provision is not included in the proposed MOU with TWU Local 250-A.

Work on Regular Day Off (File 01-0994)

Class 9132 Transit Fare Inspector would receive time and one half for all hours worked, if assigned to work on their regular day off.

Bilingual Pay (File 01-0994)

Class 9132 Transit Fare Inspectors who are in designated bilingual positions would receive \$60 biweekly for providing more than 40 hours of bilingual services and \$40 biweekly for providing up to 40 hours of bilingual services.

Driver's License Reimbursement (File 01-0992)

MTA employees in service for one year or more and whose job assignments include maintaining a valid Class B California Driver's License and/or a Verification of Transit Training (VTT) Certificate would be reimbursed for the renewal fees of such licenses.

Training Premium (File 01-0992)

The training premium for covered employees would increase by \$0.50 per hour, from \$2.50 to \$3.00 per hour.

Safety Division Premium (File 01-0994)

Safety Division Instructors would receive a premium of \$5.00 per day when required to perform accident determinations.

Shift Differential (File 01-0992 and 01-0994)

All employees covered by TWU Local 200 and Class 9132 Transit Fare Inspector covered by TWU Local 250-A would receive a shift differential equal to 8.5 percent of base pay for hours worked between 5 p.m. and 12 midnight and 10 percent of base pay for hours worked between midnight and 7 a.m.

Medical Benefits (Files 01-0992 and 01-0994)

In the proposed MOUs, the amount of dependent health care coverage paid by the City would increase. Currently, the City pays \$225 per month for dependent health care coverage. Under the proposed MOUs, the City's contribution would increase from a flat rate of \$225 per month to a formula equal to 75 percent of the cost of the Kaiser Health Plan rate for two or more dependents. In FY 2001-2002, 75 percent of the Kaiser Health Plan rate for two or more dependents would equal \$279 per month, which is an increase in the amount that the City pays for dependent health care coverage of \$54 per month (\$279 less \$225).

The proposed MOUs contain new language stating that the City shall contribute 100 percent of the premium for the employee's portion of health care benefit coverage for employees who do not receive dependent health care benefits

Long Term Disability Insurance (Files 01-0992 and 01-0994)

The proposed MOUs contain new language, providing long term disability insurance, which would provide benefits equal to 60 percent of the employees base pay after 180 days on disability leave. Currently, the MOUs do not provide for long term disability insurance.

Release Time for Retirement Seminar (Files 01-0992 and 01-0994)

The proposed MOUs contain language, providing one day of paid time off during the term of the subject MOU to attend a pre-retirement planning seminar, sponsored by the San Francisco Employees Retirement System (SFERS) or the State's Public Employee's Retirement System (PERS).

BOARD OF SUPERVISORS
BUDGET ANALYST

Volunteer Parent Release Time (File 01-0994)

The proposed MOU contains language, granting covered employees 4 hours of paid time off each fiscal year to attend parent teacher conferences. In addition, covered employees may receive up to 40 hours per fiscal year of unpaid time for school activities.

Employee Training and Tuition Reimbursement Program

Under the proposed MOU, covered Municipal Transportation Agency employees would be offered 20 hours of job-related training each year (File 01-0992).

Under the proposed MOU, the City would provide \$2,500 each year for reimbursement to members of TWU Local 250-A for education programs (File 01-0994) and \$6,000 total each year for reimbursement to members of TWU Local 200 for education programs (File 01-0992). Currently, the MOUs do not provide for any tuition reimbursement.

Pilot Wellness Incentive Program (Files 01-0992 and 01-0994)

The proposed MOU contains language establishing a Pilot Wellness Program as an incentive to decrease the use of sick leave. Under the Pilot Wellness Program, the employee would be able to receive a cash payment upon retirement for unused sick leave, based upon the employee's salary rate and years of service. The Program enables covered employees to receive 2.5% of accrued sick leave credits times the number of whole years of continuous years of service times the employee's salary rate upon retirement.

Fitness Facility Fees (File 01-0994)

Under the proposed MOU, the City would provide up to a total of \$2,000 per year for the purpose of paying membership fees at a fitness facility for those covered employees. The current MOU does not provide for any fitness facility fees.

Municipal Transportation Agency Incentive Program (Files 01-0992 and 01-0994)

The subject MOU contains language regarding the Municipal Transportation Agency (MTA) Incentive and Attendance Programs. Under these provisions, covered employees working in "service-critical" areas of the MTA would be eligible to participate in the incentive and attendance programs. Under the Incentive Program, eligible employees would receive bonuses ranging from \$30 to \$150 each quarter, based on established performance goals. Under the Attendance Program, eligible employees in operations who have not used more than 40 hours of sick leave in the calendar year may receive 2 to 3 days of paid time off. Eligible employees in maintenance who have not used more than 40 hours of sick leave in the calendar year may cash out up to 20 to 40 hours of unused sick leave.

Major Non-Economic Provisions:

The major non-economic changes in the proposed MOUs as compared with the current MOUs are as follows:

Grievance Procedure (File 01-0992)

The proposed MOU modifies existing language, establishing specific grievance procedures for employees in service critical areas of the Municipal Transportation Agency (MTA).

Probationary Period (File 01-0992)

The probationary period for newly-hired employees covered by the subject MOU would be for one year.

Anti-Nepotism Policy (MTA "service-critical" employees) (Files 01-0992 and 01-0994)

The proposed MOU contains new language, prohibiting employees assigned to MTA and designated to be "service-critical" from applying for positions requiring them to report to or to supervise family members or domestic partners.

Comments:

1. Ms. Villagomez states that the subject MOUs were mediated agreements reached between TWU Local 200 and Local 250-A and the City. According to Ms. Villagomez, although the subject MOU was referred to mediation, both parties continued to negotiate until the mediated agreement was reached. Therefore, Mr. Ted Lakey of the City Attorney's Office advises that the proposed mediated settlement is before the Board of Supervisors for approval or rejection.

2. As shown in Attachment II, provided by the Controller's Office, the proposed TWU Local 200 MOU (File 01-0992) is estimated to cost the City \$1,568,233 in FY 2001-2002 and \$3,023,524 in FY 2002-2003, resulting in a two-year cumulative cost impact of \$4,591,758.

As shown in Attachment III, provided by the Controller's Office, the proposed TWU Local 250-A MOU (File 01-0994) is estimated to cost the City \$539,975 in FY 2001-2002 and \$967,675 in FY 2002-2003, resulting in a two-year cumulative cost impact of \$1,507,649.

However, as noted by the Controller's Office, these estimates do not include the additional four hours of parent release time and up to eight hours of time off for employees to attend retirement planning seminars, which may result in additional overtime costs to the City for positions that are backfilled and may result in lost productivity to the City for positions that are not backfilled. The proposed MOUs also contain language to provide financial incentives of up to \$375 per employee each quarter if specific performance and attendance goals are achieved by MTA groups or divisions. According stated in the Controller's Attachments, these performance and attendance incentives will be paid from Muni funds and will have no General Fund impact.

As noted in Attachment II, the TWU Local 200 MOU contains a provision including floating holidays and furlough days when determining eligibility for overtime, which will result in some overtime cost to the City in future years.

3. The Budget Analyst notes that the current MOU contains existing language, stating that any day declared to be a holiday by proclamation of the Mayor, after such day has been declared a holiday by the Governor or the President of the United States, would be a paid holiday for covered employees. As noted in Attachments I and II, provided by the Controller, if, for example, the City chooses to make Cesar Chavez day a paid holiday during the two-year term of the subject MOU, there may be additional overtime and productivity costs for this bargaining unit

4. Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for General Fund supported departments would be the City's General Fund Salary and Benefits Reserve Fund of \$46,880,219 that is included in the proposed FY 2001-2002 budget. To the extent that employees covered by the subject MOUs are paid with Special or Enterprise Funds, such as bond funds or Airport Funds, and not with General Fund monies, Ms. Stevenson advises that the required additional wage and benefit costs will be allocated to such Special or Enterprise Funds.

5. As detailed in the table below, the estimated additional FY 2001-2002 costs of the subject MOUs¹ as compared with current FY 2000-2001 costs is \$44,870,115. The estimated additional costs of these MOUs for FY 2002-2003, as compared with current FY 2000-2001 costs is \$89,096,470. Therefore, the total cumulative two-year costs of these MOUs is \$133,966,585, as shown below.

¹Does not include the settlement of grievance filed by SEIU Local 790 (Item 18, File 01-1007) on behalf of Pharmacists and Clinical Pharmacists in an aggregate amount not to exceed \$191,000, which will be funded from the Department of Public Health's FY 2000-2001 budget, and does not include Items 15 and 16, Files 01-0984 and 01-0985 which provide for pass-through of State funds at skilled nursing facilities, which will result in no additional City costs.

Memo to Audit, Labor & Government Efficiency Committee
June 12, 2001 Audit, Labor & Government Efficiency Committee Meeting

Item No.	File No.	Employee Bargaining Unit	FY 2001-2002	FY 2002-2003	Cumulative
1	01-0564	Automotive Machinists, Local 1414	\$1,428,809	\$2,946,154	\$4,374,963
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3	01-0986	In. Fed. of Prof. Tech. Engineers, Local 21	17,885,556	37,924,310	55,809,866
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13	01-0996	Amer. Physicians &	1,798,040	3,577,593	5,375,633
14	01-0997	Dentists, Units 8CC & 11-AA			
17	01-0998	SEIU Locals 250,535 & 790, Amendment 2	<u>380,685</u>	<u>394,009</u>	<u>774,695</u>
		Total	\$44,870,115	\$89,096,470	\$133,966,585

Recommendation: Approval of the proposed MOU is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Union	200 TWU, Local 200 (SEAM Multi-Unit)
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Sum of FTEs		
Class	Title	Total
1773	Media Training Specialist	1.00
7412	Auto Svc Wrk Asst Sprv	3.50
8121	Fare Inspections Supervisor/Investigator	2.20
8126	Sr Investigator, OCC	3.00
9139	Transit Supervisor	260.02
9140	Transit Manager 1	21.58
9141	Transit Manager 2	18.54
9150	Train Controller	14.61
9155	Claims Investigator	6.34
9156	Senior Claims Investigator	1.13
9157	Claims Adjuster	5.00
9173	Systems Safety Inspector	1.90
Grand Total		338.82

Union	252 TWU, Local 250A, 7410s
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Sum of FTEs		
Class	Title	Total
7410	Automotive Service Worker	117.30
9132	Transit Fare Inspector	20.44
Grand Total		137.74



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
ControllerMatthew H. Hymowitz
Chief Assistant Controller

June 7, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 010992
Amendment to Memorandum of Understanding (MOU) with the Transport Workers' Union Local 200

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and the Transport Workers' Union Local 200. The amendment covers the period July 1, 2001 through June 30, 2003, and affects 316 budgeted positions with an overall pay and benefits base of approximately \$27 million and a salary base of approximately \$21 million.

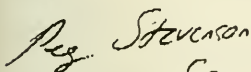
Based on our analysis, the amendment will result in incremental costs of approximately \$1.6 million in FY 2001-2002, and \$1.5 million in FY 2002-2003. The amendment will result in cost increases of approximately 5.8% above the overall pay and benefits base (approximately 7.5% above base salaries) in FY 2001-2002 and approximately 5.4% above the overall pay and benefits base (approximately 6.6% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides four hours of parental leave, up to eight hours of release time for employees to attend retirement planning seminars, and a minimum of 20 hours of job related training. These provisions may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for these provisions at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and productivity costs for this bargaining unit. Finally, the MOU contains a provision including floating holidays and furlough days when determining eligibility for overtime which will result in some overtime cost to the city in future years.

The MOU includes language specifying that employees in this bargaining unit who are deemed to be "service critical" by the Municipal Transportation Authority (Muni) will be eligible to receive performance and attendance incentives pursuant to Charter Section 8A.104 (Proposition E). These performance and attendance incentives will be paid from Muni funds and will have no general fund impact. Individuals would be eligible to receive a maximum of \$375 per quarter if all group and division goals in their unit are achieved.

If you have additional questions or concerns please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,

A handwritten signature in cursive script that reads "Ed Stevenson".

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
TWU Local 200
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
General Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$839,195	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$1,049,588
Additional Wage Adjustments		
Various adjustments for selected classes	277,501	121,381
Health		
Increased dependent coverage to 75% Kaiser Index	128,952	0
Medically single benefit	13,842	0
Long term disability	77,806	0
Additional Premiums and Benefits		
Tuition reimbursement, training, Night Differential	52,618	1,450
Pilot Wellness Program¹		
2.5% of accrued sick leave if retiring after July 1, 2002	0	90,306
Wage-Related Fringe Increases	178,320	192,566
Total Estimated Incremental Costs	<u>\$1,568,233</u>	<u>\$1,455,291</u>
Annual Amount Above 2000-2001 Level	\$1,568,233	\$3,023,524
Cumulative Total Above 2000-2001 Provisions		\$4,591,758
Incremental Cost % of 2000-2001 Total Pay & Benefits	5.8%	5.4%
Incremental Cost % of Base Salary	7.5%	6.6%

¹ Assumes that a similar number of employees retire during contract years as during calendar year 2000. As more members become eligible, this cost would increase. While this program may allow departments to reduce overtime hours, we have not estimated an overtime budget decrease related to the Wellness Program at this time.



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
Controller

Matthew H. Hymel
Chief Assistant Controller

June 7, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: File Number 010994
Amendment to the Memorandum of Understanding (MOU) with the Transport Workers' Union
Local 250-A, Automotive Service Workers and Transit Fare Inspectors

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and the Transport Workers' Union Local 250-A, Automotive Service Workers and Transit Fare Inspectors. The amendment covers the period of July 1, 2001 through June 30, 2003, and affects 126 budgeted positions with an overall pay and benefits base of approximately \$6.3 million and a salary base of approximately \$5.5 million.

Based on our analysis, the amendment will result in incremental costs of approximately \$540,000 in FY 2001-2002, and \$428,000 in FY 2002-2003. The amendment will result in cost increases of approximately 8.6% above the overall pay and benefits base (approximately 9.8% above base salaries) in FY 2001-2002 and approximately 6.8% above the overall pay and benefits base (approximately 7.3% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides four hours of parental leave and up to eight hours of release time for employees to attend retirement planning seminars. These provisions may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for these provisions at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and lost productivity costs for this bargaining unit.

The MOU includes language specifying that employees in this bargaining unit who are deemed to be "service critical" by the Municipal Transportation Authority (Muni) will be eligible to receive performance and attendance incentives pursuant to Charter Section 8A.104 (Proposition E). These performance and attendance incentives will be paid from Muni funds and will have no general fund impact. Individuals would be eligible to receive a maximum of \$375 per quarter if all group and division goals in their unit are achieved.

If you have any additional questions or concerns please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,



Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Transport Workers' Union, Local 250-A
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increases		
3% on July 1, 2001, 2% on January 5, 2002	\$219,678	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$278,752
Wage Adjustments		
Classification 7410 & 9132		
2.5% on July 1, 2001, 1.5% on January 5, 2002	114,720	73,930
Health		
Increased dependent coverage to 75% Kaiser Index	51,192	0
Medically single benefit	5,033	0
Long term disability	24,553	0
Additional Premiums	80,132	2,382
Other Benefits		
Tuition Reimbursement	2,500	0
Fitness Facility Fees	2,000	0
Pilot Wellness Program¹		
2.5% of accrued sick leave if retiring after July 1, 2002	0	18,061
Wage-Related Fringe Increases	60,166	58,594
Total Estimated Incremental Costs	<u>\$539,975</u>	<u>\$427,700</u>
Annual Amount Above 2000-2001 Level	\$539,975	\$967,675
Cumulative Total Above 2000-2001 Provisions		\$1,507,649
Incremental Cost % of 2000-2001 Total Pay & Benefits	8.6%	6.8%
Incremental Cost % of Base Salary	9.8%	7.3%

¹ Assumes that a similar number of employees retire during contract years as during calendar year 2000. As more members become eligible, this cost would increase. While this program may allow departments to reduce overtime hours, we have not estimated an overtime budget decrease related to the Wellness Program at this time.

Item 11 - File 01-0993

Department: Department of Human Resources (DHR)

Items: Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the Transport Workers' Union of America, Local 250-A, Multi-Unit, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Description: The proposed Memorandum of Understanding (MOU) was referred to mediation, pursuant to San Francisco Charter Section A8-409, and a mediated agreement was reached on May 24, 2001.

The proposed Memorandum of Understanding between the Transport Workers' Union of America, Local 250-A, Multi-Unit and the City and County of San Francisco is the successor agreement to the existing MOU which expires on June 30, 2001. The proposed two-year MOU, which is effective from July 1, 2001 through June 30, 2003, covers 13 classifications, comprising a total of 122 budgeted positions as follows:

6120 Environmental Health Inspector
3262 Curator of Industrial Arts
3342 Zoo Curator
3529 Museum Conservator
(Brundage Asian Art)
3541 Curator I
3542 Curator II
3544 Curator III
3548 Curator of Natural Science,
Junior Museum
2806 Disease Control Investigator
2808 Senior Disease Control Investigator
2810 Principal Disease Control Investigator
6122 Senior Environmental Health
Inspector
6123 Principal Environmental Health
Inspector

**Major Economic
Provisions:**

The major economic changes of the new subject MOU from the current MOU includes the following:

BOARD OF SUPERVISORS
BUDGET ANALYST

Wage Increase

The proposed MOU would provide wage increases, totaling 10% over the two-year period to all covered employees as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
July 7, 2002	2.5%
January 3, 2003	2.5%
Total	10.0%

Internal Wage Adjustments

In addition to the 10 percent wage increase noted above, the proposed MOU would provide internal wage adjustments for specific classifications, as follows:

<i>Classification</i>	<i>Internal Wage Adjustments on July 1, 2001</i>
2806 Disease Control Investigator 2808 Sr. Disease Control Investigator 6122 Sr. Environmental Health Inspector 6124 Princ. Environmental Health Inspector	0.5%
6120 Environmental Health Inspector	1.0%
3542 Curator II 3544 Curator III	2.0%
3548 Curator of Natural Science 3262 Curator of Industrial Arts	8.0%
3541 Curator I	10.0%

In addition to the internal adjustments, effective July 1, 2001, the proposed MOU would provide additional internal wage adjustments for the following one classification, effective July 1, 2002.

<i>Classification</i>	<i>Internal Wage Adjustment July 1, 2002</i>
3541 Curator I	5.0%

The proposed overall wage increase of ten percent, together with the internal wage adjustments on July 1, 2001 and July 1, 2002 will result in total wage increases of up to 25 percent for the 3541 Curator I employees. According to Ms. Alice Villagomez of DHR, the internal wage adjustments for the Curator I, II, and III classifications were based on data from a wage survey conducted by the American Association of Museums and the internal wage adjustments for the Curator of Natural Science and Curator of Industrial Arts positions were based on surveys conducted by DHR of comparable positions in Bay Area museums. Ms. Villagomez states that the Disease Control Investigator and Environmental Health Inspector wage adjustments were based on internal comparisons of comparable City job classifications.

Acting Assignment Pay

The proposed MOU modifies existing language, providing Acting Assignment Pay on the 11th day of the assignment, rather than on the 16th day of the assignment, as provided by the current MOU, retroactive to the first day of the assignment.

Telephones

Under the proposed MOU, employees who use public telephones for City business will be reimbursed \$0.35 per call. Additionally, the MOU provides that the City would purchase 13 cellphones for the Environmental Health Section and would reimburse employees using such phones for City business. The current MOU does not provide such reimbursements for telephone use.

Shift Differential

Under the proposed MOU, the shift differential would increase from the current rate of eight percent of base pay for hours worked between 5 p.m. and 7 a.m. to (a) 8.5

BOARD OF SUPERVISORS

BUDGET ANALYST

percent of base pay for hours worked between 5 p.m. and midnight and (b) 10 percent of base pay for hours worked between midnight and 7 a.m.

Bilingual Pay

Bilingual pay would increase by (a) \$5, from \$35 to \$40 biweekly, for qualified employees providing bilingual services up to 40 hours biweekly, and (b) \$10, from \$50 to \$60 biweekly, for qualified employees providing bilingual services for more than 40 hours biweekly.

Travel Pay

The proposed MOU contains new language stating that employees who reside in San Francisco and who are assigned to the Airport will be paid \$3.50 per day. Additionally, employees who use public transportation while conducting City business will be provided with Muni or BART fare. Currently, the MOUs do not provide for such travel pay.

Medical Benefits

In the proposed MOU, the amount of dependent health care coverage paid by the City would increase. Currently, the City pays \$225 per month for dependent health care coverage. Under the proposed MOU, the City's contribution would increase from a flat rate of \$225 per month to a formula equal to 75 percent of the cost of the Kaiser Health Plan rate for two or more dependents. In FY 2001-2002, 75 percent of the Kaiser Health Plan rate for two or more dependents would equal \$279 per month, which is an increase in the amount that the City pays for dependent health care coverage of \$54 per month (\$279 less \$225).

The proposed MOU contains new language stating that the City shall contribute 100 percent of the premium for the employee's portion of health care benefit coverage for employees who do not receive dependent health care benefits.

Long Term Disability Insurance

The proposed MOU would provide long term disability insurance, which would equal 60 percent of the base rate of pay and be effective 180 days after the commencement

of sick or disability leave. The current MOU does not provide for long term disability insurance.

Release Time for Retirement Seminar

The proposed MOU contains language, providing one day of paid time off during the term of the subject MOU to attend a pre-retirement planning seminar, sponsored by San Francisco Employees Retirement System (SFERS) or the State's Public Employees Retirement System (PERS).

Volunteer Parent Release Time

The proposed MOU contain language, granting covered employees 4 hours of paid time off each fiscal year to attend parent teacher conferences. In addition, covered employees may receive up to 40 hours per fiscal year of unpaid time for school activities. The current MOU does not provide for any parent release time.

Tuition Reimbursement Program

Under the proposed MOU, the City would provide a total of \$5,000 per year for tuition reimbursement for eligible employees. The current MOU does not provide for any tuition reimbursement.

Pilot Wellness Incentive Program

The proposed MOU contains language establishing a Pilot Wellness Program as an incentive to decrease the use of sick leave. Under the Pilot Wellness Program, the employee would be able to receive a cash payment upon retirement for unused sick leave, based upon the employee's salary rate and years of service. The Program enables covered employees to receive 2.5% of accrued sick leave credits times the number of whole years of continuous years of service times the employee's salary rate upon retirement

**Major Non-Economic
Provisions:**

The major non-economic changes in the proposed MOUs as compared with the current MOUs are as follows:

Class 2806 Disease Control Investigator Vacancies

The proposed MOU contains new language stating that the Union and the Department of Public Health will meet and confer over vacancies in Class 2806, Disease Control Investigator.

BOARD OF SUPERVISORS

BUDGET ANALYST

Classification Study for 6120 Environmental Health
Inspector and 6122 Senior Environmental Health
Inspector

Under the proposed MOU, the Department of Public Health and the Union would conduct a joint classification study to determine if these two Environmental Health Inspector classifications should be merged into one classification.

Comments:

1. Ms. Villagomez states that the subject MOU was a mediated agreement reached between TWU Local 250-A and the City. According to Ms. Villagomez, although the subject MOU was referred to mediation, both parties continued to negotiate until the mediated agreement was reached. Therefore, Mr. Ted Lakey of the City Attorney's Office advises that the proposed mediated settlement is before the Board of Supervisors for approval or rejection.

2. As shown in the Attachment, provided by the Controller's Office, the proposed MOU is estimated to cost the City \$544,573 in FY 2001-2002 and \$1,028,002 in FY 2002-2003, as compared with current FY 2000-2001 costs, resulting in a two-year cumulative cost impact of \$1,572,575.

However, as noted by the Controller's Office, these estimates do not include the additional four hours of parent release time and up to eight hours of time off for employees to attend retirement planning seminars, which may result in additional overtime costs to the City for positions that are backfilled and may result in lost productivity to the City for positions that are not backfilled.

3. The Budget Analyst notes that the current MOU contains existing language, stating that any day declared to be a holiday by proclamation of the Mayor, after such day has been declared a holiday by the Governor or the President of the United States, would be a paid holiday for covered employees. As noted in the Controller's Attachment, if, for example, the City chooses to make Cesar Chavez day a paid holiday during the two-year term of the subject MOU, there may be additional overtime and productivity costs for this bargaining unit.

BOARD OF SUPERVISORS

BUDGET ANALYST

4. Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for General Fund supported departments would be the City's General Fund Salary and Benefits Reserve Fund of \$46,880,219 that is included in the proposed FY 2001-2002 budget. To the extent that employees covered by the subject MOUs are paid with Special or Enterprise Funds, such as bond funds or Airport Funds, and not with General Fund monies, Ms. Stevenson advises that the required additional wage and benefit costs will be allocated to such Special or Enterprise Funds.

5. As detailed in the table below, the estimated additional FY 2001-2002 costs of the subject MOUs¹ as compared with current FY 2000-2001 costs is \$44,870,115. The estimated additional costs of these MOUs for FY 2002-2003, as compared with current FY 2000-2001 costs is \$89,096,470. Therefore, the total cumulative two-year costs of these MOUs is \$133,966,585, as shown below.

<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
1	01-0564	Automotive Machinists, Local 1414	\$1,428,809	\$2,946,154	\$4,374,963
2	01-0570	Electrical Workers, Local 6	3,415,904	7,491,750	10,907,654
3	01-0986	In. Fed. of Prof. Tech. Engineers, Local 21	17,885,556	37,924,310	55,809,866
4	01-0987	Deputy Sheriffs Association	3,866,744	6,726,699	10,593,443
5	01-0988	District Attorney Investigators Assoc.	365,129	729,862	1,094,991
6	01-0989	Municipal Attorney's Association	6,375,411	9,244,294	15,619,704

¹Does not include the settlement of grievance filed by SEIU Local 790 (Item 18, File 01-1007) on behalf of Pharmacists and Clinical Pharmacists in an aggregate amount not to exceed \$191,000, which will be funded from the Department of Public Health's FY 2000-2001 budget, and does not include Items 15 and 16, Files 01-0984 and 01-0985 which provide for pass-through of State funds at skilled nursing facilities, which will result in no additional City costs.

Memo to Audit, Labor & Government Efficiency Committee
June 12, 2001 Audit, Labor & Government Efficiency Committee Meeting

<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
7	01-0990	Municipal Executives' Association	5,111,843	11,418,794	16,530,637
8	01-0991	Probation Officers Association	1,037,789	2,496,171	3,533,960
9	01-0992	Transport Workers Union, Local 20	1,568,233	3,023,524	4,591,758
10	01-0994	Transport Workers Union, Local 250-A	539,975	967,675	1,507,649
11	01-0993	Transport Workers Union, Local 250-A Multi-Unit	544,573	1,028,002	1,572,575
12	01-0995	Teamsters, Local 856	551,424	1,127,633	1,679,057
13	01-0996	Amer. Physicians &	1,798,040	3,577,593	5,375,633
14	01-0997	Dentists, Units 8CC & 11-AA			
17	01-0998	SEIU Locals 250,535 & 790, Amendment 2	<u>380,685</u>	<u>394,009</u>	<u>774,695</u>
Total			\$44,870,115	\$89,096,470	\$133,966,585

Recommendation: Approval of the proposed MOU is a policy matter for the Board of Supervisors.

Edward Harrington
ControllerMatthew H. Hym
Chief Assistant Controller

June 7, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: File Number 010993
Amendment to the Memorandum of Understanding (MOU) with the Transport Workers' Union
Local 250-A Multi-Unit

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and the Transport Workers' Union Local 250-A, Multi-Unit. The amendment covers the period of July 1, 2001 through June 30, 2003, and affects 122 budgeted positions with an overall pay and benefits base of approximately \$9.1 million and a salary base of approximately \$8 million.

Based on our analysis, the amendment will result in incremental costs of approximately \$545,00 in FY 2001-2002, and \$483,000 in FY 2002-2003. The amendment will result in cost increases of approximately 6.0% above the overall pay and benefits base (approximately 6.8% above base salaries) in FY 2001-2002 and approximately 5.3% above the overall pay and benefits base (approximately 5.8% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides four hours of parental leave and up to eight hours of release time for employees to attend retirement planning seminars. These provisions may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for these provisions at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and lost productivity costs for this bargaining unit.

If you have any additional questions or concerns please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,

for
Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
TWU Local 250-A, Multi-Unit
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$319,998	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$309,028
Wage Adjustments		
For selected classes	80,697	14,605
Health		
Increased dependant coverage to 75% of Kaiser Index	42,768	0
Medically single benefit	3,775	0
Long term disability	31,231	0
Other Benefits		
Tuition Reimbursement	5,000	0
Pilot Wellness Program¹		
2.5% of accrued sick leave if retiring after July 1, 2002	0	5,829
Wage-Related Fringe Increases	61,106	63,968
Total Estimated Incremental Costs	<u>\$544,573</u>	<u>\$483,430</u>
Annual Amount Above 2000-2001 Level	\$544,573	\$1,028,002
Cumulative Total Above 2000-2001 Provisions		\$1,572,575
Incremental Cost % of Total 2000-2001 Total Pay & Benefits	6.0%	5.3%
Incremental Cost % of Base Salary	6.8%	5.8%

¹ Assumes that a similar number of employees retire during contract years as during calendar year 2000. As more members become eligible, this cost would increase. While this program may allow departments to reduce overtime hours, we have not estimated an overtime budget decrease related to the Wellness Program at this time.

Item 12 - File 01-0995

Department: Department of Human Resources (DHR)

Item: Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the Teamsters Local 856, Multi-Unit, and the City and County of San Francisco, to be effective for the period July 1, 2001 through June 30, 2003.

Description: The proposed Memorandum of Understanding (MOU) was referred to mediation, pursuant to San Francisco Charter Section A8.409, and a mediated agreement was reached on May 25, 2001

The proposed Memorandum of Understanding between the Teamsters Local 856, Multi-Unit, and the City and County of San Francisco is the successor agreement to the existing MOU which expires on June 30, 2001. The proposed two-year MOU, which is effective from July 1, 2001 through June 30, 2003, comprises 133 budgeted positions and covers the following 14 classifications:

Class

1434	Shelter Service Representative
2444	Clinical Laboratory Technician
2453	Supervising Pharmacist
2462	Microbiologist
2464	Senior Microbiologist
2496	Radiologic Technician Supervisor
3320	Animal Keeper
3370	Animal Care Attendant
3372	Animal Control Officer
6139	Senior Industrial Hygienist
7444	Parking Meter Repair
8322	Senior Counselor, Juvenile Probation
8323	Senior Counselor, Boys Ranch
8324	Supervising Counselor, Juvenile Probation

Major Economic Provisions:

The major economic changes of the new subject MOU from the current MOU includes the following:

BOARD OF SUPERVISORS
BUDGET ANALYST

Wage Increase

The proposed MOU would provide wage increases, totaling 10% over the two-year period to all covered employees as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	2.5 %
January 5, 2002	2.5 %
July 1, 2002	2.5 %
January 4, 2003	2.5 %
Total	10.0 %

Internal Wage Adjustments

In addition to the 10 percent wage increase noted above, the proposed MOU contains an internal wage adjustment for the following classifications, effective July 1, 2001.

<i>Classification</i>	<i>Internal Wage Adjustments on July 1, 2001</i>
1434 Shelter Representative 3370 Animal Care Attendant 3372 Animal Control Officer	10.0%
2450 Pharmacist 2454 Clinical Pharmacist	8.0%
2464 Senior Microbiologist	7.0%
2462 Microbiologist	3.5%
6139 Senior Industrial Hygienist	2.75%

The proposed MOU also provides internal wage adjustments for the following three classifications, effective July 1, 2002:

<i>Classification</i>	<i>Internal Wage Adjustments on July 1, 2002</i>
1434 Shelter Representative 3370 Animal Care Attendant 3372 Animal Control Officer	5.0%

The proposed overall wage increases of ten percent together with the proposed internal adjustments will result in total wage increases of up to 25 percent. According to Ms. Alice Villagomez of DHR, the internal wage adjustment for the Animal Care and Control

classifications was based upon a survey of comparable positions in other Bay Area counties and upon recruitment and retention needs. Ms. Villagomez states that internal wage adjustments for other classifications were based on internal comparisons among comparable City classifications.

Internal Adjustments for Supervisory Classifications

Under the proposed MOU, the following supervisory classifications would receive internal wage adjustments to maintain a five to six percent differential between the supervisory class and the class supervised, as identified below.

Classification	Percent of Differential
2453 Supervising Pharmacist	5% above class supervised
2496 Radiologic Technologist Supervisor	6% above class supervised
8324 Supervising Counselor	5% above class supervised

Acting Assignment Pay

Acting Assignment Pay would be effective on the 11th day of the assignment, rather than the 16th day of the assignment in the current MOU, and would be retroactive to the first day of the assignment.

Medical Benefits

The proposed MOU reduces the cash payout to employees who do not receive dependent health benefits from \$210 per month to \$190 per month.

Long Term Disability Insurance

Under the proposed MOU, the City would pay for long term disability benefits, equal to 60 percent of base salary for covered employees who are on disability leave for more than 180 days. Currently, the MOU does not provide for long term disability.

Release Time for Retirement Seminar

The proposed MOU contains language providing one day of paid time off during the term of the subject MOU to attend a pre-retirement planning seminar, sponsored by the San Francisco Employees Retirement System (SFERS) or the State Public Employees Retirement System (PERS).

Department of Animal Care & Control

The subject MOU states that the Department of Animal Care and Control will request in its annual budget appropriation funding for security guards to be on the premises seven days a week.

Major Non-Economic Provisions:

The major non-economic changes in the proposed MOUs as compared with the current MOUs are as follows:

Department of Parking and Traffic Joint Labor Management Committee

The proposed MOU would provide for a joint Labor-Management Committee to discuss issues associated with the City's transition from mechanical to electronic parking meters.

Juvenile Probation Department

The proposed MOU contains a sideletter agreement with the Juvenile Probation Department, containing the following provisions:

- Employees would be able to appeal disciplinary grievances directly to the Employee Relations Division.
- The Juvenile Probation Department would submit a request to the Department of Human Resources for consideration for the consolidation of Class 8322 Senior Counselor, Juvenile Hall and Class 8323 Senior Counselor, Log Cabin Ranch into one class.
- For the duration of construction at Juvenile Hall, the Department would continue its efforts to obtain sufficient and secure parking facilities and will continue to investigate alternative modes of transportation.
- The Department would establish a joint labor-management committee, to commence by October 1, 2001 to discuss workload assignments during demolition of the existing Juvenile Hall facility and construction of a new facility.
- Overtime assignments would be offered on a rotational basis, by seniority, first to employees in Class 8324 Supervising Counselor and then to employees in Class 8322 Senior Counselor.

BOARD OF SUPERVISORS

BUDGET ANALYST

Seniority

The proposed MOU contains new language requiring City Departments to implement a sign-up procedure to award vacation to covered employees by seniority.

2444 Clinical Lab Technologist Classification Studies

Under the proposed MOU, the Department of Human Resources would conduct a classification study of the 2444 Clinical Lab Technologist positions at the Medical Examiner Department, to be completed during FY 2001-2002, and the Department of Public Health (DPH) would conduct a classification study of the 2444 Clinical Lab Technologist positions at DPH, to be completed within 90 days of July 1, 2001.

Animal Care Graveyard Shift

Under the proposed MOU, for a trial period, the Department of Animal Care and Control would allow employees who work the graveyard shift the option of waiving their one hour meal break. At the end of the trial period, the Department would evaluate the impact of this option on operations and determine whether it is appropriate to continue to allow such an option.

Compensatory Time

The proposed MOU provides that 240 hours of compensatory time can now be carried forward year to year. Previously there was no provision for carryover. In addition, the proposed MOU permits Class 2453 Supervising Pharmacist (an FLSA-exempt classification) to cash out compensatory time in excess of 240 hours, and clarifies that compensatory time accrual for "Z"-designated employees does not begin to accrue until after 40 hours in a week.

Past Practices

The subject MOU contains new language, stating that all past practices and understandings not specifically contained within the MOU would no longer be enforceable.

Comments:

1. Ms. Villagomez states that the subject MOU was a mediated agreement reached between Teamsters Local 856 and the City. According to Ms. Villagomez, although the subject MOU was referred to mediation, both parties continued to negotiate until the mediated agreement was reached. Therefore, Mr. Ted Lakey of the City Attorney's Office advises that the proposed mediated settlement is before the Board of Supervisors for approval or rejection.

2. As shown in the Attachment, provided by the Controller's Office, the proposed MOU is estimated to cost the City \$551,424 in FY 2001-2002 and \$1,127,633 in FY 2002-2003, as compared with the current FY 2000-2001 costs, resulting in a two-year cumulative cost impact of \$1,679,057.

However, as noted by the Controller's Office, these estimates do not include the up to eight hours of time off for employees to attend retirement planning seminars, which may result in additional overtime costs to the City for positions that are backfilled and may result in lost productivity to the City for positions that are not backfilled

3. The Budget Analyst notes that the current MOU contains existing language, stating that any day declared to be a holiday by proclamation of the Mayor, after such day has been declared a holiday by the Governor or the President of the United States, would be a paid holiday for covered employees. As noted in the Controller's Attachment, if, for example, the City chooses to make Cesar Chavez day a paid holiday during the two-year term of the subject MOU, there may be additional overtime and productivity costs for this bargaining unit.

4. Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for General Fund supported departments would be the City's General Fund Salary and Benefits Reserve Fund of \$46,880,219 that is included in the proposed FY 2001-2002 budget. To the extent that employees covered by the subject MOUs are paid with Special or Enterprise Funds, such as bond funds or Airport Funds, and not with General Fund monies, Ms. Stevenson advises that the

Memo to Audit, Labor & Government Efficiency Committee
June 12, 2001 Audit, Labor & Government Efficiency Committee Meeting

required additional wage and benefit costs will be allocated to such Special or Enterprise Funds.

5. As detailed in the table below, the estimated additional FY 2001-2002 costs of the subject MOUs¹ as compared with current FY 2000-2001 costs is \$44,870,115. The estimated additional costs of these MOUs for FY 2002-2003, as compared with current FY 2000-2001 costs is \$89,096,470. Therefore, the total cumulative two-year costs of these MOUs is \$133,966,585, as shown below.

<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
1	01-0564	Automotive Machinists, Local 1414	\$1,428,809	\$2,946,154	\$4,374,963
2	01-0570	Electrical Workers, Local 6	3,415,904	7,491,750	10,907,654
3	01-0986	In. Fed. of Prof. Tech. Engineers, Local 21	17,885,556	37,924,310	55,809,866
4	01-0987	Deputy Sheriff's Association	3,866,744	6,726,699	10,593,443
5	01-0988	District Attorney Investigators Assoc.	365,129	729,862	1,094,991
6	01-0989	Municipal Attorney's Association	6,375,411	9,244,294	15,619,704
7	01-0990	Municipal Executives' Association	5,111,843	11,418,794	16,530,637
8	01-0991	Probation Officers Association	1,037,789	2,496,171	3,533,960
9	01-0992	Transport Workers Union, Local 20	1,568,233	3,023,524	4,591,758
10	01-0994	Transport Workers Union, Local 250-A	539,975	967,675	1,507,649

¹Does not include the settlement of grievance filed by SEIU Local 790 (Item 18, File 01-1007) on behalf of Pharmacists and Clinical Pharmacists in an aggregate amount not to exceed \$191,000, which will be funded from the Department of Public Health's FY 2000-2001 budget, and does not include Items 15 and 16, Files 01-0984 and 01-0985 which provide for pass-through of State funds at skilled nursing facilities, which will result in no additional City costs.

Memo to Audit, Labor & Government Efficiency Committee
 June 12, 2001 Audit, Labor & Government Efficiency Committee Meeting

<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
11	01-0993	Transport Workers Union, Local 250-A Multi-Unit	544,573	1,028,002	1,572,575
12	01-0995	Teamsters, Local 856	551,424	1,127,633	1,679,057
13	01-0996	Amer. Physicians &	1,798,040	3,577,593	5,375,633
14	01-0997	Dentists, Units 8CC & 11-AA			
17	01-0998	SEIU Locals 250,535 & 790, Amendment 2	<u>380,685</u>	<u>394,009</u>	<u>774,695</u>
		Total	\$44,870,115	\$89,096,470	\$133,966,585

Recommendation: Approval of the proposed MOU is a policy matter for the Board of Supervisors.



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
ControllerMatthew H. Hyme
Chief Assistant Controller

June 7, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 010995
Amendments to Memorandum of Understanding (MOU) with Teamsters Local 856

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of amendments to the MOU between the City and County of San Francisco and Teamsters Local 856. The amendments cover the period July 1, 2001 through June 30, 2003, and affect 133 budgeted positions with an overall pay and benefits base of approximately \$8.3 million and a salary base of approximately \$7.3 million.

Based on our analysis, the amendments will result in incremental costs of approximately \$.55 million in FY 2001-2002, and \$.58 million in FY 2002-2003. The amendments will result in cost increases of approximately 6.6% above the overall pay and benefits base (approximately 7.5% above base salaries) in FY 2001-2002 and approximately 6.9% above the overall pay and benefits base (7.3% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides up to eight hours of release time for employees to attend retirement planning seminars. This provision may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for this provision at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and productivity costs for this bargaining unit.

If you have additional questions or concerns please contact me or Pamela Levin of my staff at 554-7500.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ed Harrington".

for
Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Teamsters Local 858
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
2.5% on July 1, 2001, 2.5% on January 5, 2002	\$273,918	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$393,838
Wage Adjustments		
Various adjustments for selected classes	197,187	106,127
Health		
Reduced cash in lieu benefit in exchange for long term disability coverage	8,475	0
Wage-Related Fringe Increases	71,844	78,245
Total Estimated Incremental Costs	<u>\$551,424</u>	<u>\$576,210</u>
Annual Amount Above 2000-2001 Level	\$551,424	\$1,127,633
Cumulative Total Above 2000-2001 Provisions		\$1,679,057
Incremental Cost % of 2000-2001 Total Pay & Benefits	6.6%	6.9%
Incremental Cost % of Base Salary	7.5%	7.3%

Memo to Audit, Labor & Government Efficiency Committee
June 12, 2001 Audit, Labor & Government Efficiency Committee Meeting

Items 13 and 14 - Files 01-0996 and 01-0997

Department: Department of Human Resources (DHR)

Items: Item 13, File 01-0996

Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the Union of American Physicians and Dentists and the City and County of San Francisco for Bargaining Unit 8CC, to be effective for the period July 1, 2001 through June 30, 2003.

Item 14, File 01-0997

Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the Union of American Physicians and Dentists and the City and County of San Francisco for Bargaining Unit 11AA, to be effective for the period July 1, 2001 through June 30, 2003.

Description: The proposed Memoranda of Understanding (MOUs) were referred to mediation, pursuant to San Francisco Charter Section A8.409, and mediated agreements were reached on May 2, 2001

The proposed Memoranda of Understanding between the Union of American Physicians and Dentist, Units 8CC and 11AA, and the City and County of San Francisco are the successor agreement to the existing MOUs which expire on June 30, 2001. The proposed two-year MOUs, which are effective from July 1, 2001 through June 30, 2003, covers the following nine classifications, comprising a total of 173 employees.

<u>Class</u>	<u>Unit</u>
2233 Supervising Physician Specialist	11 AA
2210 Dentist	8 CC
2220 Physician	8 CC
2230 Physician Specialist	8 CC
2232 Senior Physician Specialist	8 CC
2236 Medical Advisor, Health Service System	8 CC
2292 Shelter Veterinarian	8 CC
2582 Forensic Pathologist	8 CC
2598 Assistant Medical Examiner	8 CC

Major Economic Provisions:

The major economic changes of the new subject MOUs from the current MOU includes the following:

Wage Increase (Files 01-0996 and 01-0997)

The proposed MOUs would provide wage increases, totaling 10% over the two-year period to all covered employees as follows:

<i>Effective Date</i>	<i>Percent Increase</i>
July 1, 2001	3.0%
January 5, 2002	2.0%
July 1, 2002	2.5%
January 4, 2003	2.5%
Total	10.0%

Internal Wage Adjustments (Files 01-0996 and 01-0997)

The proposed MOUs would provide to all covered employees an additional internal wage adjustment of 2.5 percent on July 1, 2001, and 2.5 percent on July 1, 2002. The total wage adjustment for all covered employees, including both the wage increase and the internal wage adjustment, over the two-year term of the MOUs would be 15 percent.

Premium Pay (Files 01-0996 and 01-0997)

Under the proposed MOUs, covered employees in Classes 2230, 2232, and 2233, will receive a 10 percent pay differential for engaging in the practice of children's psychiatry. Covered employees in Classes 2230 and 2232

who are medical specialists at Laguna Honda Hospital will receive a 10 percent pay differential.

Standby Pay (Files 01-0996 and 01-0997)

The proposed MOUs modify standby pay, providing \$9.00 per hour standby premium for all time on standby. In the current MOUs, the covered employee would receive \$75 standby pay for each assigned standby shift from 5 p.m. to 8 a.m., , and \$275 standby pay for each weekend shift from Friday, 5 p.m., to Monday, 8 a.m.

Bilingual Pay (File 01-0996 and 01-0997)

Bilingual pay would increase in the proposed MOUs from the current rate of \$40 per pay period to the new rate of \$50 per pay period.

Salary Step Adjustments for New Hires (File 01-0996 and 01-0997)

The proposed MOUs modify existing language, authorizing the appointing officer to hire new employees at any step in the salary grade without restriction.

Acting Assignment Pay (File 01-0996)

The proposed MOU contains new language, providing that covered employees in bargaining unit 8-CC will receive acting assignment pay, beginning on the 11th day of the assignment, equal to one salary step above the employee's base rate of pay.

Medical Benefits (Files 01-0996 and 01-0997)

In the proposed MOUs, the amount of dependent health care coverage paid by the City would increase. Currently, the City pays \$225 per month for dependent health care coverage. Under the proposed MOUs, the City's contribution would increase from a flat rate of \$225 per month to a formula equal to 75 percent of the cost of the Kaiser Health Plan rate for two or more dependents. In FY 2001-2002, 75 percent of the Kaiser Health Plan rate for two or more dependents would equal \$279 per month, which is an increase in the amount that the City pays for dependent health care coverage of \$54 per month (\$279 less \$225).

The proposed MOU contains new language stating that the City shall contribute 100 percent of the premium for

BOARD OF SUPERVISORS

BUDGET ANALYST

the employee's portion of the health care benefit coverage for employees who do not receive dependent health care benefits.

Long Term Disability Insurance (Files 01-0996 and 01-0997)

The proposed MOUs contain new language, providing that the City would pay the expense of long term disability insurance for covered employees, equal to 60 percent of base salary for such employees who are on disability leave for more than 180 days.

Release Time for Retirement Seminar (Files 01-0996 and 01-0997)

The proposed MOUs contains language, providing one day of paid time off during the term of the subject MOU to attend a pre-retirement planning seminar.

Employee Development (Files 01-0996 and 01-0997)

The proposed MOUs would increase the total funds available for Employee Development from \$10,000 per year to \$83,500 per year. Each covered employee would be eligible to receive \$500 annually for tuition reimbursement.

Federal and State Mandated License Fees Reimbursement (Files 01-0996 and 01-0997)

The proposed MOUs contains new language, providing that the City will reimburse fifty percent (50%) of the cost of mandated Federal and State medical license(s) for any employee who is regularly scheduled to work for a minimum of 20 hours per week.

Major Non-Economic Provisions:

Joint Labor Management Committee (Files 01-0996 and 01-997)

The proposed MOUs contain a new provision for a joint labor management committee to discuss issues regarding professional practice and patient care.

Comments:

1. Ms. Villagomez states that the subject MOU was a mediated agreement reached between the Union of American Physicians and Dentists and the City. According to Ms. Villagomez, although the subject MOU was referred to mediation, both parties continued to negotiate until the mediated agreement was reached. According to Mr. Ted Lakey of the City Attorney's Office, the proposed mediated settlement is before the Board of Supervisors for approval or rejection.

2. According to Ms. Villagomez, the City conducted a survey of Bay Area Counties and the State of California, including review of MOUs, job descriptions, wage rates, premium pay rates and other compensation. Ms. Villagomez states that the internal wage adjustments included in the subject MOUs are based on the City's survey.

3. As shown in the Attachment, provided by the Controller's Office, the proposed MOU is estimated to cost the City \$1,798,040 in FY 2001-2002 and an additional \$3,577,593 in FY 2002-2003, for a two-year cumulative cost impact of \$5,375,633.

However, as noted by the Controller's Office, these estimates do not include up to eight hours of time off for employees to attend retirement planning seminars.

4. The Budget Analyst notes that the current MOU contains existing language, stating that any day declared to be a holiday by proclamation of the Mayor, after such day has been declared a holiday by the Governor or the President of the United States, would be a paid holiday for covered employees. As noted in the Controller's Attachment, if, for example, the City chooses to make Cesar Chavez day a paid holiday during the two-year term of the subject MOU, there may be additional overtime and productivity costs for this bargaining unit.

5. Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject increases for General Fund supported departments would be the City's General Fund Salary and Benefits reserve Fund of \$46,880,219 that is included in the proposed FY 2001-

BOARD OF SUPERVISORS

BUDGET ANALYST

2002 budget. To the extent that employees covered by the subject MOUs are paid with Special or Enterprise Funds, such as bond funds or airport Funds, and not with General Fund monies, Ms. Stevenson advises that the required additional wage and benefit costs will be allocated to such Special or Enterprise Funds.

6. As detailed in the table below, the estimated additional FY 2001-2002 costs of the subject MOUs¹ as compared with current FY 2000-2001 costs is \$44,870,115. The estimated additional costs of these MOUs for FY 2002-2003, as compared with current FY 2000-2001 costs is \$89,096,470. Therefore, the total cumulative two-year costs of these MOUs is \$133,966,585, as shown below.

<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
1	01-0564	Automotive Machinists, Local 1414	\$1,428,809	\$2,946,154	\$4,374,963
2	01-0570	Electrical Workers, Local 6	3,415,904	7,491,750	10,907,654
3	01-0986	In. Fed. of Prof. Tech. Engineers, Local 21	17,885,556	37,924,310	55,809,866
4	01-0987	Deputy Sheriff's Association	3,866,744	6,726,699	10,593,443
5	01-0988	District Attorney Investigators Assoc.	365,129	729,862	1,094,991
6	01-0989	Municipal Attorney's Association	6,375,411	9,244,294	15,619,704
7	01-0990	Municipal Executives' Association	5,111,843	11,418,794	16,530,637
8	01-0991	Probation Officers Association	1,037,789	2,496,171	3,533,960
9	01-0992	Transport Workers Union, Local 20	1,568,233	3,023,524	4,591,758

¹Does not include the settlement of grievance filed by SEIU Local 790 (Item 18, File 01-1007) on behalf of Pharmacists and Clinical Pharmacists in an aggregate amount not to exceed \$191,000, which will be funded from the Department of Public Health's FY 2000-2001 budget, and does not include Items 15 and 16, Files 01-0984 and 01-0985 which provide for pass-through of State funds at skilled nursing facilities, which will result in no additional City costs.

Memo to Audit, Labor & Government Efficiency Committee
June 12, 2001 Audit, Labor & Government Efficiency Committee Meeting

Item No.	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
10	01-0994	Transport Workers Union, Local 250-A	\$ 539,975	\$ 967,675	\$1,507,649
11	01-0993	Transport Workers Union, Local 250-A Multi-Unit	544,573	1,028,002	1,572,575
12	01-0995	Teamsters, Local 856	551,424	1,127,633	1,679,057
13	01-0996	Amer. Physicians &	1,798,040	3,577,593	5,375,633
14	01-0997	Dentists, Units 8CC & 11-AA			
17	01-0998	SEIU Locals 250,535 & 790, Amendment 2	<u>380,685</u>	<u>394,009</u>	<u>774,695</u>
		Total	\$44,870,115	\$89,096,470	\$133,966,585

Recommendation: Approval of the proposed MOUs is a policy matter for the Board of Supervisors.



CITY AND COUNTY OF SAN FRANCISCO

Attachment
Page 1 of 2
OFFICE OF THE CONTROLLEREdward Harrington
ControllerMatthew H. Hymel
Chief Assistant Controller

June 6, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Numbers 010996 and 010997
Amendments to Memoranda of Understanding (MOU) with Units 8-CC and 11-AA of the Union of
American Physicians and Dentists (UAPD)

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of amendments to the MOUs between the City and County of San Francisco and Units 8-CC and 11-AA of the Union of American Physicians and Dentists (UAPD). The amendments cover the period July 1, 2001 through June 30, 2003, and affect 173 budgeted positions with an overall pay and benefits base of approximately \$19.9 million and a salary base of approximately \$19.9 million.

Based on our analysis, the amendments will result in incremental costs of approximately \$1.8 million in FY 2001-2002, and \$1.8 million in FY 2002-2003. The amendments will result in cost increases of approximately 9.1% above the overall pay and benefits base (approximately 9.0% above base salaries) in FY 2001-2002 and approximately 9.0% above the overall pay and benefits base (8.3% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU provides up to eight hours of release time for employees to attend retirement planning seminars. This provision may result in overtime costs for those employees who are backfilled and in lost productivity for non-backfilled employees, however, we have not estimated a cost for this provision at this time. In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and productivity costs for this bargaining unit.

If you have additional questions or concerns please contact me or Pamela Levin of my staff at 554-7500.

Sincerely,

for
Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Ross, Budget Analyst

Attachment A**Union of American Physicians and Dentists Locals 193 and 194****Estimated Costs FY 2001-2002 to FY 2002-2003****Controller's Office**

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$799,032	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$1,021,201
Wage Adjustments		
2.5% effective July 1, 2001; 2.5% effective July 1, 2002	499,395	536,850
Health		
Increased dependent coverage to 75% of Kaiser Index	77,760	0
Medically single provision for employees with no dependents	27,662	0
Long-Term Disability	82,535	3,920
Additional Premiums and Benefits		
Discontinue Medical Quality Incentive Bonus Program	(299,637)	(22,847)
Increased standby, bilingual child psychiatrist and speciality premiums	314,796	5,475
Relicensure and tuition reimbursement	96,175	0
Wage-Related Fringe Increases	200,322	234,953
Total Estimated Incremental Costs	<u>\$1,798,040</u>	<u>\$1,779,552</u>
Annual Amount Above 2000-2001 Level	\$1,798,040	\$3,577,593
Cumulative Total Above 2000-2001 Provisions		\$5,375,633
Incremental Cost % of 2000-2001 Total Pay & Benefits	9.1%	9.0%
Incremental Cost % of Base Salary	9.0%	8.3%

Items 15 and 16 – Files 01-0984 and 01-0985

Department: Department of Human Resources (DHR)

Item 15, File 01-0984

Ordinance adopting and implementing Amendment No. 1 to the FY 2000-2003 Memorandum of Understanding between the Service Employees International Union, Local 790, AFL-CIO for Staff and Per Diem Nurses and the City and County of San Francisco by modifying paragraph 307 which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities.

Item 16, File 01-0985

Ordinance adopting and implementing Amendment No. 1 to the FY 2000-2003 Memorandum of Understanding between the Service Employees International Union, Locals 250, 535 and 790 and the City and County of San Francisco by modifying paragraph 307 which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities.

Description: The proposed two ordinances would amend existing Memoranda of Understanding (MOU) between the subject unions and the City and County of San Francisco to implement provisions of the California Welfare and Institutions Code Section 14110.6. Under the California Welfare and Institutions Code Section 14110.6, the State provides additional revenues, or State pass-through funds, to the Counties to compensate health care and other employees who are assigned to skilled nursing facilities.¹

¹ Employees who receive the Skilled Nursing Facility (SNF) Wage pass-through premium must provide direct patient care to Medi-Cal patients in a Skilled Nursing Facility that receives Medi-Cal reimbursement. For example, only employees at Laguna Honda Hospital (LHH) that provide care to patients in the SNF ward would receive the premium; employees at LHH who work in the acute care or Adult Day Program would not receive these funds.

Memo to Audit, Labor and Government Efficiency Committee
June 12, 2001 Audit, Labor and Government Efficiency Committee Meeting

Under the proposed ordinance (File 01-0984), the following one class represented by Local 790 would be covered:

Class 2320 Registered Nurse

Under the proposed ordinance (File 01-0985), the following four classes represented by Local 250 would be covered:

Class 2302, Certified Nursing Assistant
Class 2303, Mental Health Rehabilitation Worker
Class 2313, Licensed Vocational Nurse
Class 2305, Psychiatric Technician

The Skilled Nursing Facility State Pass-Through premium, would be paid to eligible employees, working at a skilled nursing facility, including the Laguna Honda Hospital (LHH), San Francisco General Hospital Unit 4A Skilled Nursing Facility (SFGH 4A) and the Mental Health Rehabilitation Facility (MHRF) between August 1, 2000 and July 31, 2001. Therefore, the above listed covered classes would receive these proposed State pass-through premiums retroactively. For FY 2001-2002, the State pass-through premium would begin August 1, 2001.

These State pass-through premiums are a portion of the Medi-Cal reimbursement to the Counties for providing services in skilled nursing facilities. In FY 2000-2001, the State increased the Medi-Cal daily reimbursement rates to the Counties and directed that this increased daily rate be "passed through" to direct patient care providers at skilled nursing facilities.

The State made these additional funds available to craft classifications, as well as to nursing and health care classifications, assigned to skilled nursing facilities. The bargaining units representing the crafts included such provisions in the MOUs that were recently approved by the Board of Supervisors. However, the two subject

bargaining units, representing Registered Nurses and related health care classifications had not been included in previous amendments for represented classes working at Skilled Nursing Facilities.

Comments:

1. Under the proposed two MOUs, the total aggregate cost of such premiums and related expenses cannot exceed the amount of eligible State pass-through funding for such compensation and related costs. The subject amendments authorize expenditures of up to \$4,000,000 in FY 2001-2002, but payments would be limited to the actual reimbursements received from the State. According to Ms. Mary Hao of the Department of Human Resources (DHR), DHR estimates that Medi-cal reimbursement for FY 2001-2002 will amount to \$3,100,000.

Ms. Hao also states that for the time period covering August 1, 2000 through July 31, 2001, DHR estimates that eligible employees at each of the three City skilled nursing facilities would receive the following amounts: \$3,644 for covered employees at MHRF, \$2,065 for covered employees at SFGH 4H and \$2,647 for employees at LHH.² Ms. Hao also advises that the individual rates for each covered facility depends on the total amount of Medi-Cal reimbursement each of the three facilities receive and the number of covered represented employees working at the facility. Ms. Hao estimates that approximately 1,170 employees would receive the State pass-through premium.

2. According to Ms Hao, eligible employees would only receive the State pass-through premium if State funds were available. Additionally, Ms Hao notes that the State assesses a ten percent penalty and the return of such reimbursement monies if the funds are not passed through to employees, according to the State Legislation.

² In FY 1999-2000, the premium ranged from \$451.85 for eligible employees assigned to MHRF, \$899.07 for eligible employees at SFGH 4A and \$1,526.70 for eligible employees assigned to LHH.

3. The Attachment, provided by the Controller's Office, provides a cost analysis of the subject ordinances (Files 01-0984 and 01-0985). As stated in this Attachment, the proposed ordinances would have no fiscal impact on the City's General Fund, since all of the costs for the proposed skilled nursing facility premium pass-throughs would be paid by the State.

Recommendation: Approve the proposed two ordinances.

Attachment



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
Controller

Matthew H. Hymel
Chief Assistant Controller

June 5, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: File Number 010985 and File Number 010984
Amendment No. 1 to Memoranda of Understanding (MOU) with the Service Employees
International Union Locals 250, 535, and 790 and Amendment No. 1 to Memoranda of
Understanding with SEIU Staff and Per Diem Nurses

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOUs between the City and County of San Francisco and SEIU Locals 250, 535, and 790 and between the City and County and the SEIU Staff and Per Diem Nurses. The amendment covers the period of the current MOUs, July 1, 2000 through June 30, 2003. The amendment addresses a state program which provides for additional compensation to employees providing services in skilled nursing facilities such as Laguna Honda Hospital. The number and classifications of employees who would receive compensation under this program has not yet been determined. The City is currently working with state program administrators to determine how this compensation will be paid.

The state budgets for FY 1999-2000 and FY 2000-2001 included approximately \$3.4 million in funding under this program for San Francisco. These funds will be used exclusively to provide additional compensation for employees working in skilled nursing facilities in the form of premium pay. There is no impact on the General Fund as all of the monies for this compensation program are provided from the State of California.

If you have any additional questions or concerns please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Memo to Audit, Labor and Government Efficiency Committee
June 12, 2001 Audit, Labor and Government Efficiency Committee Meeting

Items 17 and 18 – Files 01-0998 and 01-1007

Department: Department of Human Resources (DHR)
Department of Public Health (DPH)

Items: Item 17, File 01-0998

Ordinance adopting and implementing Amendment No. 2 to the FY 2001-2002 through FY 2002-2003 Memorandum of Understanding between the Service Employees International Union, Locals 250, 535, and 790, and the City and County of San Francisco by amending Article III.A. which provides for a one-time wage adjustment to Class 2450 Pharmacist and Class 2454 Clinical Pharmacist.

Item 18, File 01-1007

Ordinance authorizing settlement of the grievance filed by Service Employees International Union, Local 790, on behalf of Pharmacists and Clinical Pharmacists, pursuant to the Memorandum of Understanding between Service Employees International Union, Locals 250, 535, and 790, and the City and County of San Francisco in an aggregate amount not to exceed \$191,000.

Description: Service Employees International Union (SEIU) Local 790 filed a grievance on behalf of Pharmacists and Clinical Pharmacists on March 14, 2000, regarding the Department of Public Health's (DPH) contract with a third party pharmaceutical benefits manager to provide decentralized pharmaceutical services throughout the City. The subject grievance stated that the City had violated Section 15, "Contracting Out Work" of the Memorandum of Understanding (MOU) between the City and SEIU. The proposed ordinance (File 01-1007) would approve the settlement agreement reached between the City and SEIU.

The Settlement Agreement (File 01-1007) contains the following provisions:

- The San Francisco General Hospital (SFGH) Out-Patient Pharmacy would be open from 10:00 a.m. to 7:00 p.m., five days per week, Monday through Friday;

BOARD OF SUPERVISORS

BUDGET ANALYST

- Class 2450 Pharmacists and Class 2454 Clinical Pharmacists would receive a one-time internal wage adjustment of 8 percent, effective July 1, 2001. In addition, Pharmacists and Clinical Pharmacists would receive a one-time bonus equal to 8 percent of total compensation, totaling \$191,000, for the period from December 1, 2000, through June 30, 2001;
- Desirable Outpatient Pharmacy staffing levels would include nine Pharmacists and seven Pharmacy Technicians and minimum Outpatient Pharmacy staffing levels would include seven Pharmacists and six Pharmacy Technicians;
- The City would implement gradual elimination of Pharmacy Registry contracts and replace such contracts with Civil Service employees; and
- The Pharmacy Benefits Manager contract would be reviewed by the Health Commission in December of 2001.

As a result of this Settlement Agreement, the proposed ordinance (File 01-0998) would implement Amendment 2 to the FY 2001-2002 through FY 2002-2003 MOU between the Service Employees International Union, Locals 250, 535 and 790 and the City, to provide Class 2450 Pharmacists and Class 2454 Clinical Pharmacists an internal wage adjustment of eight percent, effective July 1, 2001.

Comments:

1. As noted above, the proposed Settlement Agreement (File 01-1007) also contains an eight percent retroactive bonus, not to exceed \$191,000, for FY 2000-2001. Ms. Monique Zmuda of DPH advises that funds for this retroactive bonus are available in the FY 2000-2001 budget. The Controller's Office has not prepared a separate cost estimate for the proposed grievance Settlement Agreement (File 01-1007).

2. According to Ms. Zmuda, the proposed internal wage adjustment of eight percent for Class 2450 Pharmacists and Class 2454 Clinical Pharmacists (File 01-0998), effective July 1, 2001, is necessary for the recruitment and retention of pharmacists.

3. As shown in the Attachment, provided by the Controller's Office, the proposed MOU (File 01-0998) with SEIU Locals 250, 535 and 790 is estimated to cost the City \$380,685 in FY 2001-2002 and \$394,009 in FY 2002-2003, as compared to the current FY 2000-2001 costs, resulting in a two-year cumulative cost impact of \$774,695.

4. As previously noted, the source of funds for the retroactive bonuses as a result of the Settlement Agreement (File 01-1007) would be the current FY 2000-2001 Department of Public Health budget. Ms. Peg Stevenson of the Controller's Office advises that the source of funds to pay for the subject MOU (File 01-0998) increases for General Fund supported departments would be the City's General Fund Salary and Benefits Reserve Fund of \$46,880,219 that is included in the proposed FY 2001-2002 budget. To the extent that employees covered by the subject MOUs are paid with Special or Enterprise Funds, such as bond funds or Airport Funds, and not with General Fund monies, Ms. Stevenson advises that the required additional wage and benefit costs will be allocated to such Special or Enterprise Funds.

5. As detailed in the table below, the estimated additional FY 2001-2002 costs of the subject MOUs¹ as compared with current FY 2000-2001 costs is \$44,870,115. The estimated additional costs of these MOUs for FY 2002-2003, as compared with current FY 2000-2001 costs is \$89,096,470. Therefore, the total cumulative two-year costs of these MOUs is \$133,966,585, as shown below.

¹Does not include the settlement of grievance filed by SEIU Local 790 (Item 18, File 01-1007) on behalf of Pharmacists and Clinical Pharmacists in an aggregate amount not to exceed \$191,000, which will be funded from the Department of Public Health's FY 2000-2001 budget, and does not include Items 15 and 16, Files 01-0984 and 01-0985 which provide for pass-through of State funds at skilled nursing facilities, which will result in no additional City costs.

Memo to Audit, Labor and Government Efficiency Committee
 June 12, 2001 Audit, Labor and Government Efficiency Committee Meeting

<u>Item No.</u>	<u>File No.</u>	<u>Employee Bargaining Unit</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Cumulative</u>
1	01-0564	Automotive Machinists, Local 1414	\$1,428,809	\$2,946,154	\$4,374,963
2	01-0570	Electrical Workers, Local 6	3,415,904	7,491,750	10,907,654
3	01-0986	In. Fed. of Prof. Tech. Engineers, Local 21	17,885,556	37,924,310	55,809,866
4	01-0987	Deputy Sheriff's Association	3,866,744	6,726,699	10,593,443
5	01-0988	District Attorney Investigators Assoc.	365,129	729,862	1,094,991
6	01-0989	Municipal Attorney's Association	6,375,411	9,244,294	15,619,704
7	01-0990	Municipal Executives' Association	5,111,843	11,418,794	16,530,637
8	01-0991	Probation Officers Association	1,037,789	2,496,171	3,533,960
9	01-0992	Transport Workers Union, Local 20	1,568,233	3,023,524	4,591,758
10	01-0994	Transport Workers Union, Local 250-A	539,975	967,675	1,507,649
11	01-0993	Transport Workers Union, Local 250-A Multi-Unit	544,573	1,028,002	1,572,575
12	01-0995	Teamsters, Local 856	551,424	1,127,633	1,679,057
13	01-0996	Amer. Physicians &	1,798,040	3,577,593	5,375,633
14	01-0997	Dentists, Units SCC & 11-AA			
17	01-0998	SEIU Locals 250,535 & 790, Amendment 2	<u>380,685</u>	<u>394,009</u>	<u>774,695</u>
Total			\$44,870,115	\$89,096,470	\$133,966,585

Recommendation: Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

Edward Harrington
ControllerMatthew H. Hyatt
Chief Assistant Controller

June 5, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: File Number 010998
Amendment No. 2 to Memoranda of Understanding (MOU) with the Service Employees
International Union Locals 250, 535, and 790

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and the Service Employees International Union Locals 250, 535, and 790. The amendment covers the period of the current MOU, July 1, 2000 through June 30, 2003, and affects 49 budgeted positions with an overall salary base of approximately \$4.1 million.

The amendment provides a one-time wage adjustment resulting from the settlement of the May 14, 2000 grievance filed by the Union regarding the operation of the Outpatient Pharmacy. Based on our analysis, the amendment will result in incremental costs of approximately \$381,000 in FY 2001-2002 and \$13,000 in FY 2002-2003. The amendment will result in cost increases of approximately 9.2% above base salary in FY 2001-2002 and 0.3% in FY 2002-2003. Please see Attachment A for specific cost estimates.

If you have any additional questions or concerns please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Service Employees International Union Local 250, 535, 790
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Adjustments		
Classification 2450 & 2454		
One time additional wage adjustment of 8% on July 1, 2001	330,313	11,561
Wage Related Fringes	50,373	1,763
Total Estimated Incremental Costs	<u>\$380,685</u>	<u>\$13,324</u>
Annual Amount Above 2000-2001 Level	\$380,685	\$394,009
Cumulative Total Above 2000-2001 Provisions		\$774,695
Incremental Cost % of Base Salary	9.2%	0.3%

Memo to Audit, Labor and Government Efficiency Committee
June 12, 2001 Audit, Labor and Government Efficiency Committee Meeting

Item 19 – File 01-1008

Department: Department of Human Resources (DHR)

Item: Ordinance adopting and implementing Amendment No. 1 to the FY 2000-2001 through FY 2002-2003 Memorandum of Understanding between the City and County of San Francisco and the Freight Checkers, Clerical Employees & Helpers, Local 856 (Supervising Registered Nurses, Unit 11.B.) by adding paragraph 99a. to Section III.E. Holidays and Holiday Pay.

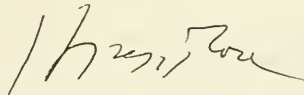
Description: The proposed ordinance would amend an existing two-year Memorandum of Understanding (MOU) between the Freight Checkers, Clerical Employees & Helpers, Local 856 (Supervising Registered Nurses, Unit 11.B.) and the City and County of San Francisco to add paragraph 99a. to Section III.E to state that this bargaining unit would receive a paid holiday for any day declared to be a holiday by proclamation of the Mayor, after such day has been declared a holiday by the Governor of the State of California or the President of the United States.

Comments: 1. According to Ms. Alice Villagomez of the Department of Human Resources (DHR), the intent of the proposed amendment is to add this enabling provision to the subject MOU in order to provide consistency with other City MOUs. Ms. Villagomez advises that the proposed language is a standard provision that is being included in all other MOUs with City employee organizations.

2. The Attachment, provided by the Controller's Office, advises that if the City chooses to establish a new paid holiday during the upcoming year, such as Cesar Chavez Day, there may be additional overtime and lost productivity costs for the Freight Checkers, Clerical Employees & Helpers, Local 856 (Supervising Registered Nurses, Unit 11.B.). However, such potential additional overtime and lost productivity costs are not identified.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Memo to Audit, Labor and Government Efficiency Committee
June 12, 2001 Audit, Labor and Government Efficiency Committee Meeting



Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick
Clerk of the Board
Controller
Stephen Kawa

Edward Harrington
ControllerMatthew H. Harrington
Chief Assistant Controller

June 5, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: File Number 011008
Amendment No. 1 to the Memorandum of Understanding (MOU) with Freight Checkers,
Clerical Employees & Helpers, Local 856 (Supervising Registered Nurses, Unit 11.B.)

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and the Supervising Registered Nurses, Unit 11.B. The amendment covers the period of the current MOU, July 1, 2000 through June 30, 2003. The amendment specifies that a holiday declared by proclamation of the Mayor after the day has been declared a holiday by the Governor of California or President of the United States shall be a paid holiday for this bargaining unit.

If the City chooses to establish a new paid holiday in this manner, such as Cesar Chavez day, during the upcoming year, there may be additional overtime and lost productivity costs for this bargaining unit.

If you have any additional questions or concerns please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst



BOARD OF SUPERVISORS
City and County of San Francisco

**Meeting Minutes
Audit, Labor and Government Efficiency
Committee**

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, June 12, 2001

10:00 AM

Legislative Chamber

Rescheduled Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

The meeting convened at 10:09 a.m.

DOCUMENTS DEPT.

JUN 15 2001

**SAN FRANCISCO
PUBLIC LIBRARY**

REGULAR AGENDA

010564 [MOU, Automotive Machinists, Local 1414]

Mayor

Ordinance implementing an arbitration award establishing the terms of the Memorandum of Understanding between the Peninsula Automotive Mechanics Lodge No. 1414, International Association of Machinists and Aerospace Workers, AFL-CIO and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

5/29/01, SUBSTITUTED. The Mayor submitted a substitute ordinance bearing new title.

5/29/01, ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Geoffrey Rothman, Employee Relations Division; Supervisor Newsom; Severin Campbell, Budget Analyst's Office; Supervisor Daly.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010570 [MOU, Electrical Workers, Local 6]**Mayor**

Ordinance implementing an arbitration award establishing the terms of the Memorandum of Understanding between the International Brotherhood of Electrical Workers, Local 6, American Federation of Labor and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

4/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

5/29/01, SUBSTITUTED. The Mayor submitted a substitute ordinance bearing new title.

5/29/01, ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Geoffrey Rothman, Employee Relations Division; Supervisor Newsom; Severin Campbell, Budget Analyst's Office; Supervisor Daly.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010986 [MOU, International Federation of Professional & Technical Engineers, Local 21 (Arbitration Award)]**Mayor**

Ordinance implementing an arbitration award establishing the terms of the Memorandum of Understanding between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell, Budget Analyst's Office; Geoffrey Rothman, Employee Relations Division (ERD); Supervisor Newsom; Supervisor McGoldrick; Ted Lakey, Deputy City Attorney.

ERD made two clerical corrections to agreement; page 9, Section 1A, paragraph 3 and page 37, paragraph 149.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010987 [MOU, Deputy Sheriffs Association (Mediated Agreement)]**Mayor**

Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the Deputy Sheriffs Association of San Francisco, Inc. and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell, Budget Analyst's Office; Phil Ginsburg, Deputy City Attorney; Supervisor McGoldrick.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010988 [MOU, District Attorneys Investigators Association (Mediated Agreement)]**Mayor**

Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the San Francisco District Attorney Investigators Association and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell, Budget Analyst's Office; Geoffrey Rothman, ERD; Alice Villagomez, ERD; Supervisor Newsom.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010989 [MOU, Municipal Attorney's Association (Arbitration Award)]**Mayor**

Ordinance implementing an arbitration award establishing the terms of the Memorandum of Understanding between the Municipal Attorneys' Association of San Francisco and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney; Severin Campbell, Budget Analyst's Office; Geoffrey Rothman, ERD; Art Hartinger, Attorney; Supervisor Newsom; Supervisor McGoldrick; Supervisor Daly.

ERD submitted clerically corrected MOU; replaced the word, "employee" with "represented Attorney" throughout.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010990 [MOU, Municipal Executives' Association (Mediated Agreement)]**Mayor**

Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the San Francisco Municipal Executives' Association and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

Supervisor Daly dissenting in committee.

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney; Severin Campbell, Budget Analyst's Office; Supervisor McGoldrick; Andrea Gourdine, Director, Human Resources; Geoffrey Rothman, ERD; Supervisor Newsom; Molly Stump, Deputy City Attorney; Supervisor Daly; Carol Isen, Local 21; Duane Reno, Attorney; Supervisor Peskin.

RECOMMENDED by the following vote:

Ayes: 2 - Newsom, McGoldrick

Noes: 1 - Daly

010991 [MOU, Probation Officers Association (Arbitration Award)]**Mayor**

Ordinance implementing an arbitration award establishing the terms of the Memorandum of Understanding between the San Francisco Deputy Probation Officers' Association, and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell, Budget Analyst's Office; Geoffrey Rothman, ERD; Allice Villagomez, ERD.

RECOMMENDED by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

010992 [MOU, Transport Workers Union, Local 200 (Mediated Agreement)]**Mayor**

Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the Transport Workers Union of America, Local 200 (SEAM) and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell; Budget Analyst's Office; Ted Lakey, Deputy City Attorney; Alice Villagomez.

RECOMMENDED by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

010994 [MOU, Transport Workers Union, Local 250-A Automotive Service Workers (7410) & Transit Fare Inspectors (9132)]**Mayor**

Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the Transport Workers Union of America, Local 250-A AFL-CIO and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell; Budget Analyst's Office; Ted Lakey, Deputy City Attorney; Alice Villagomez.

ERD submitted clerical corrections to page 16, paragraph 127 of the agreement to change date to "2002".

RECOMMENDED by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

010993 [MOU, Transport Workers Union, Local 250-A Multi-Unit (Mediated Agreement)]**Mayor**

Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the Transport Workers' Union of America, Local 250-A Multi-Unit and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell, Budget Analyst's Office; Alice Villagomez.

RECOMMENDED by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

010995 [MOU, Teamsters Local 856 (Mediated Agreement)]**Mayor**

Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the Teamsters, Local 856 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell, Budget Analyst's Office; Alice Villagomez, ERD; Supervisor Newsom.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010996 [MOU, Union of American Physicians and Dentists, Unit 8-CC (Mediated Agreement)]**Mayor**

Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the California Federation of the Union of American Physicians and Dentists and the City and County of San Francisco for Bargaining Unit 8-CC to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell, Budget Analyst's Office; Alice Villagomez, ERD; Supervisor Newsom.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010997 [MOU, Union of American Physicians and Dentists, Unit 11-AA, (Mediated Agreement)]**Mayor**

Ordinance adopting and implementing the mediated agreement establishing the terms of the Memorandum of Understanding between the California Federation of the Union of American Physicians and Dentists and the City and County of San Francisco for Bargaining Unit 11-AA to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell, Budget Analyst's Office; Alice Villagomez, ERD; Supervisor Newsom.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010984 [MOU, SEIU Local 790 Staff Nurses and Pier Diem Nurses- Amendment No. 1]**Mayor**

Ordinance adopting and implementing Amendment No. 1 to the 2000-2003 Memorandum of Understanding between the Service Employees International Union, Local 790, AFL-CIO for Staff and Per Diem Nurses and the City and County of San Francisco by modifying paragraph 318 which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell, Budget Analyst's Office; Alice Villagomez, ERD; Supervisor Newsom.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010985 [MOU, SEIU Locals 250, 535, & 790 - Amendment No. 1]**Mayor**

Ordinance adopting and implementing Amendment No. 1 to the 2000-2003 Collective Bargaining Agreement between the Service Employees International Union, Locals 250, 535 and 790 and the City and County of San Francisco by modifying paragraph 307 which provides for the pass-through of State of California funds to certain represented classes working at Skilled Nursing Facilities. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell, Budget Analyst's Office; Alice Villagomez, ERD; Supervisor Newsom.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010998 [MOU, SEIU Locals 250, 535 & 790 - Amendment No. 2]**Mayor**

Ordinance adopting and implementing Amendment No. 2 to the 2000-2003 Collective Bargaining Agreement between the Service Employees International Union, Locals 250, 535 and 790 and the City and County of San Francisco by amending Article III.A. which provides for a one-time wage adjustments to Class 2450 Pharmacist and Class 2454 Clinical Pharmacist. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell, Budget Analyst's Office; Alice Villagomez, ERD; Supervisor Newsom.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011007 [Settlement of Grievance - Pharmacists]**Mayor**

Resolution authorizing settlement of the grievance filed by SEIU Local 790 on behalf of Pharmacists and Clinical Pharmacists, pursuant to the Memorandum of Understanding between SEIU Local 790 and the City and County of San Francisco in an aggregate amount not to exceed \$191,000.00. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell, Budget Analyst's Office; Alice Villagomez, ERD; Supervisor Newsom.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011008 [Teamsters Local 856 Supervising Nurses - Amendment No. 1]**Mayor**

Ordinance adopting and implementing Amendment No. 1 to the 2000-2003 Memorandum of Understanding between the City and County of San Francisco and the Freight Checkers, Clerical Employees & Helpers, Local 856 (Supervising Registered Nurses, Unit 11.B.) by adding paragraph 99a. to Section III.E. Holidays and Holiday Pay. (Mayor)

5/29/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Severin Campbell, Budget Analyst's Office; Alice Villagomez, ERD; Supervisor Newsom.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010817 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Nancy Tibbon against the City and County of San Francisco for \$102,000; the lawsuit was filed on December 13, 1999 in San Francisco, Superior Court Case No. 308-489; entitled Nancy Tibbon v. City and County of San Francisco, et al. (City Attorney)

5/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010965 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit by Maximilian Castro against the City and County of San Francisco for \$925,000; the lawsuit was filed on December 15, 2000 in San Francisco Superior Court, Case No. 317-475; entitled Maximilian Castro, et al., v. City and County of San Francisco, et al.; other material terms of said settlement are the possible one-time payment of reasonable cost of a future surgery as determined and ordered by the Hon. Sickles James, Judge. (City Attorney)

5/22/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010813 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Robert Tayac against the City and County of San Francisco for \$142,500, with Tayac agreeing to be barred from future City employment, and the Court to decide the amount of Attorney's fees and costs with a floor of \$60,000 and a ceiling of \$125,000; the lawsuit was filed on September 26, 1995, in United States District Court, Case No. C95-3424 CAL; entitled Tayac v. City and County of San Francisco, et al. (City Attorney)

5/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010975 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Michael and Debra Miron against the City and County of San Francisco for \$367,000; the lawsuit was filed on June 5, 2001 in San Mateo Superior Court, Case No. 413178; entitled Michael and Debra Miron, et al., v. City and County of San Francisco, et al. (City Attorney)

5/17/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010976 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit entitled United States ex rel. Dante S. Galura, et al. v. San Luis Gonzaga Construction, Inc. et al., U.S. District Court, Northern District of California, Case No. C-96-2350 filed by former workers of San Luis Gonzaga Construction, Inc. the United States and City and County of San Francisco ("City") as intervenors, for enforcement of prevailing wage requirements and breach of contract; material terms of the settlement provide that the City will retain for itself \$339,048.61 in Municipal Transportation Authority and Department of Public Works contract funds that would otherwise be payable to San Luis Gonzaga Construction, Inc. ("SLGC"); former SLGC workers will receive a total of \$300,000 from SLGC as back wages and statutory attorneys fees; SLGC and its owners will cooperate with the City's ongoing investigation of contracts awarded by the Airport Commission. (City Attorney)

5/21/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

Report on Closed Session

Deputy City Attorney Ted Lakey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

ADJOURNMENT

The meeting adjourned at 1:25 p.m.



City and County of San Francisco Main Library

Meeting Minutes

Audit, Labor and Government Efficiency
Committee

94102-4689

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Monday, June 18, 2001

9:30 AM

City Hall Room 263

Special Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

The meeting convened at 9:37 a.m.

010526 [Single Room Occupancy Visitor Policy]
Supervisors Daly, Newsom

Ordinance amending Police Code by adding a new Section 919.1 to prohibit charges for visitors to guests and occupants of Residential Hotels, and to prohibit operators from restricting visitors to guests and occupants of Residential Hotels except in accordance with a Residential Hotel Visitor Policy approved by the Single Room Occupancy Safety and Stabilization Task Force; amending Administrative Code Sections 37.9(a)(1) and (2) to provide that a Residential Hotel occupant's failure to pay a charge prohibited by Police Code Section 919.1 shall not constitute non-payment of rent or violation of a condition or obligation of tenancy; and amending the Administrative Code by adding a new Chapter 41D to authorize the Single Room Occupancy Safety and Stabilization Task Force to establish criteria for, and to approve Residential Hotel Visitor Policies.

3/26/01, ASSIGNED UNDER 30 DAY RULE to Housing, Transportation and Land Use Committee, expires on 4/25/2001.

4/18/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Supervisor Daly; Ron Groshardt; Seth Katzman; Anne Kronenberg, Department of Public Health; Randy Shaw, Tenderloin Housing Clinic; Supervisor McGoldrick; William Kunzic, Golden Gate Hotel Association; Rebecca Dorman; Brook Turner, Coalition for Better Housing; Jane Morrison; Terrie Frye.

Recommended as Committee Report to Board June 18, 2001.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

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001926 [Requiring residential hotel receipts to adult occupants]**Supervisor Newsom**

Ordinance amending Administrative Code Chapter 41 "Residential Hotel Unit Conversion and Demolition" by amending Sections 41.9 and 41.11 to require that hotels provide each adult occupant with a receipt showing each amount and time period paid, and also showing any associated charges, and providing for enforcement; and, updating terminology in Sections 41.9 through 41.16 and 41.19 through 41.21 to reflect prior Charter changes establishing a Director and Department of Building Inspection in place of the former Superintendent and Bureau of Building Inspection.

10/30/00, ASSIGNED UNDER 30 DAY RULE to Audit and Government Efficiency Committee, expires on 11/29/2000.

2/1/01, TRANSFERRED to Rules Committee. New committee structure.

4/18/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Supervisor Newsom; Neveo Mosser, S.F.A.A.; Amy Fishman, SRO Task Force.

Recommended as Committee Report to Board June 18, 2001.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010224 [Automatic Sprinklers in Residential Hotels]**Supervisors Newsom, Daly**

Ordinance amending the San Francisco Fire Code by adding Section 900.1.3 and the San Francisco Housing Code by amending Section 904, to require the installation of automatic sprinkler systems in residential hotels, as defined in the ordinance.

2/5/01, RECEIVED AND ASSIGNED to Housing, Transportation and Land Use Committee.

4/18/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Supervisor Newsom; Supervisor Daly; Supervisor McGoldrick; Frank Chiu, Department of Building Inspection; Randy Shaw; Jane Morrison; Ron Groshardt; Terrie Frye; Captain Tom Harvey, Fire Department; Will Sorro; Amy Fishman; John Crowley, Sprinklerfitters Local 483; Delphine; Ted Lakey, Deputy City Attorney.

Amended on page 3, line 11 and page 6, line 2, change "1996" to "1999".

Continued to June 26, 2001.

CONTINUED AS AMENDED by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

001185 [Status of Burned-out Residential Hotels]**Supervisor Newsom**

Hearing to consider the report from the Department of Building Inspection regarding the status of residential hotels rooms that have been lost by fire.

6/19/00, RECEIVED AND ASSIGNED to Housing and Social Policy Committee.

8/1/00, CONTINUED TO CALL OF THE CHAIR.

2/1/01, TRANSFERRED to Housing, Transportation and Land Use Committee. New committee structure.

4/18/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speaker: Supervisor Newsom.

Continued pending updated report from Department of Building Inspection.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

ADJOURNMENT

The meeting adjourned at 11:06



City and County of San Francisco [All Committees]
Meeting Minutes Government Document Section
Main Library
Audit, Labor and Government Efficiency
Committee

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, June 26, 2001

1:00 PM

City Hall Room 263

Regular Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

DOCUMENTS DEPT.

The meeting convened at 2:26 p.m.

JUN 29 2001

REGULAR AGENDA

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010224 [Automatic Sprinklers in Residential Hotels]

Supervisors Newsom, Daly

Ordinance amending the San Francisco Fire Code by adding Section 900.1.3 and the San Francisco Housing Code by amending Section 904, to require the installation of automatic sprinkler systems in residential hotels, as defined in the ordinance.

2/5/01, RECEIVED AND ASSIGNED to Housing, Transportation and Land Use Committee.

4/18/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

6/18/01, CONTINUED AS AMENDED. Heard in Committee. Speakers: Supervisor Newsom; Supervisor Daly; Supervisor McGoldrick; Frank Chiu, Department of Building Inspection; Randy Shaw; Jane Morrison; Ron Groshardt; Terrie Frye; Captain Tom Harvey, Fire Department; Will Sorro; Amy Fishman; John Crowley, Sprinklerfitters Local 483; Delphine; Ted Lakey, Deputy City Attorney. Amended on page 3, line 11 and page 6, line 2, change "1996" to "1999".

Continued to June 26, 2001.

Heard in Committee. Speakers: Supervisor Newsom; Frank Chiu, Department of Building Inspection; Fred Hobson, District Six Democrats; Sam Dodge, Tenderloin Housing Clinic; Prince Bush; Brook Turner, Coalition for Better Housing; Janan New, S. F. Apartment Owners Association; Paul Hogarth; Anastasia Yovanopoulos, Housing Subcommittee, Department of Building Inspection; Antoinetta Stadlman, Central City SRO Collaborative; Chief Gary Massetani, Fire Department; Captain Tom Harvey, Fire Department; Supervisor Daly; Supervisor McGoldrick.

Amendment of the Whole.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending the San Francisco Fire Code by adding Section 900.1.3 and the San Francisco Housing Code by amending Section 904, to require the installation of automatic sprinkler systems in residential hotels, as defined in the ordinance, and providing findings as to local conditions pursuant to the California Health and Safety Code.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010845 [Dancehall Permits]**Supervisor Daly**

Ordinance amending San Francisco Police Code Section 1023 to exempt permitted places of entertainment and locations holding public assembly permits from the dancehall permit requirement.

5/7/01, ASSIGNED UNDER 30 DAY RULE to Neighborhood Services and Parks Committee, expires on 6/6/2001.

6/19/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Supervisor Daly; Ted Lakey, Deputy City Attorney; Supervisor McGoldrick; Carol Roos, Legislative Analyst; Robert Garcia, Save Our Streets; Nick Fynn, Late Night Coalition; David Overdorf; Leslie Ayres; Phillip Faight, Union Square Association; Grant Davis, S. F. Line Dancers Association; Jeffrey Leibovitz; Sean Starbuck, Thump Radio Inc.; Gail Edwards; Bryan Dobson; Fred Hobson; Krishna; Lawrence Foard; Stephanie Tucker; Angelica Kuhl; Terrance Alan; Carlton Solle. Supervisor Newsom excused from committee due to conflict-of-interest.

Continued to July 10, 2001.

CONTINUED by the following vote:

Ayes: 2 - Daly, McGoldrick

Excused: 1 - Newsom

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011135 [Settlement Of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Renee Craig against the City and County of San Francisco for \$67,500.00; the lawsuit was filed on October 10, 2000 in San Francisco Superior Court, Case No. 315711; entitled Renee Craig v. City and County of San Francisco, et al. (City Attorney)

6/18/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

Report on closed Session

Deputy City Attorney Ted Lakey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

It was decided to Unanimous vote not to disclose discussion to the public.

ADJOURNMENT

The meeting adjourned at 4:45 p.m.



City and County of San Francisco
Meeting Minutes
Audit, Labor and Government Efficiency
Committee

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

July 10, 2001

1:00 PM

City Hall Room 263

Regular Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

The meeting convened at 1:17 p.m.

Supervisor McGoldrick was noted present at 1:19 p.m.

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REGULAR AGENDA

010845 [Dancehall Permits]
Supervisor Daly

Ordinance amending San Francisco Police Code Section 1023 to exempt permitted places of entertainment and locations holding public assembly permits from the dancehall permit requirement.

5/7/01, ASSIGNED UNDER 30 DAY RULE to Neighborhood Services and Parks Committee, expires on 6/6/2001.

6/19/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

6/26/01, CONTINUED. Heard in Committee. Speakers: Supervisor Daly; Ted Lakey, Deputy City Attorney; Supervisor McGoldrick; Carol Roos, Legislative Analyst; Robert Garcia, Save Our Streets; Nick Fynn, Late Night Coalition; David Overdorf; Leslie Ayres; Phillip Faight, Union Square Association; Grant Davis, S. F. Line Dancers Association; Jeffrey Leibovitz, Sean Starbuck, Thump Radio Inc.; Gail Edwards; Bryan Dobson; Fred Hobson; Krishna; Lawrence Foard, Stephanie Tucker; Angelica Kuhl; Terrance Alan; Carlton Solle. Supervisor Newsom excused from committee due to conflict-of-interest.

Continued to July 10, 2001.

Heard in Committee. Speakers: Sergeant Ann Mannix, SFPD; Sergeant William Coggan, SFPD; Ted Lakey, Deputy City Attorney; Phillip Faight; Kathleen Harrington, Golden Gate Restaurant Association; Linda Mjellem, Union Square Association; Leslie Ayres, SF Late Night Coalition; Robert Garcia, Save Our Streets, Krishna, SF Late Night Coalition; Leigh Ann Matsche, Union Square Business Improvement District, Starchild, Libertarian Party; David Overdorf; Stephanie Tucker, SF Late Night Coalition; Frederick Hobson; Jeff Page; Jeffrey Leibovitz.

Supervisor Newsom excused from committee due to conflict-of-interest.

Continued to July 24, 2001.

CONTINUED by the following vote:

Ayes: 2 - Daly, McGoldrick

Excused: 1 - Newsom

010087 [Customer Service]
Supervisor Newsom

Hearing on customer service planning for City departments in implementing the Performance and Review Ordinance and creating strategic plans, including but not limited to the recently released Recreation and Park Department Strategic Plan.

1/16/01, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

2/1/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee. New committee structure.

Heard in Committee. Speakers: Supervisor Newsom; Ed Harrington, Controller; Anne Jenkins, Controller's Office; Gloria Young, Board of Supervisors; Katherine Petrucione, Mayor's Budget Office; Clarice Dumas, Legislative Analyst; Edwin Lee, Public Works; Duncan Watry, MUNI; Susan Leal, Treasurer; Judith Blackwell, Contract Administration; Lydia Zaverukha, Recreation and Park; John Bardis.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

011131 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Plaintiffs Vicki Rooker, et al. against the City and County of San Francisco for \$114,054.77; the lawsuit was filed on March 9, 1999 in United States District Court, Case No. C99-1095; entitled Rooker, et al., v. City and County of San Francisco, et al; other material terms of said settlement are: (1) settlement pertains only to plaintiffs' claims that the city improperly computed plaintiffs' wages during the time period plaintiffs worked as classification 2532 paramedics; and (2) settlement proceeds to be broken out as follows: (i) \$62,703.18 in back overtime wages; (ii) \$31,351.59 in liquidated damages; and (iii) \$20,000 in attorneys' fees. (City Attorney)

6/20/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Continued to July 24, 2001.

CONTINUED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011132 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by CARMEN LeFRANC against the City and County of San Francisco for \$51,000.00; the lawsuit was filed on August 5, 1999 in San Francisco Superior Court, Case No. 305440; entitled Carmen LeFranc, et al., v. City and County of San Francisco, et al. (City Attorney)

6/20/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Continued to July 24, 2001.

CONTINUED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011193 [Settlement of Claim]

Resolution approving the settlement of the unlitigated claim filed by Knickerbocker Properties XXXIII against San Francisco for \$44,284.24; claim was filed on 04-06-2001; additional material terms of said settlement is the signing of full and final release of the City and County of San Francisco. (City Attorney)

6/21/01. RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Continued to July 24, 2001.

CONTINUED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

ADJOURNMENT

The meeting adjourned at 5:01 p.m.



City and County of San Francisco
Meeting Minutes
Audit, Labor and Government Efficiency
Committee

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, July 24, 2001

2:00 PM

City Hall Room 263

Rescheduled Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

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Meeting Convened

The meeting convened at 2:05 pm.

AUG 14 2001

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AGENDA CHANGES

The Chairperson inquired if there were any changes to the agenda members were aware of which needed to be continued or considered differently.

File No. 010845 was called out of Committee to be heard before the Board of Supervisors on July 23, 2001.

REGULAR AGENDA

011341 [Pay Toilets]

Supervisor Newsom

Hearing to discuss the status of the City's pay toilets including, but not limited to, the following concerns: reports of vandalism, reports of breakdowns, monthly reports by the Department of Public Works, maintenance schedules, and arrests made for illegal activities.

7/16/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Ed Lee, Director, Public Works, Supervisor Mark Leno; Jake Szeto, Program Manager, Public Works; Angela Karikas, Deputy City Attorney; Ho Swan Yo, JC Decaux, Commander Greg Suhr, San Francisco Police; Walter Park, Mayor's Office; George Smith, Mayor's Office; male; John Di Donna; Rosemary Bitman; Captain A. Fagan, San Francisco Police.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010845 [Dancehall Permits]**Supervisor Daly**

Ordinance amending San Francisco Police Code Section 1023 to exempt permitted places of entertainment and locations holding public assembly permits from the dancehall permit requirement.

5/7/01, ASSIGNED UNDER 30 DAY RULE to Neighborhood Services and Parks Committee, expires on 6/6/2001.

6/19/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

6/26/01, CONTINUED. Heard in Committee. Speakers: Supervisor Daly; Ted Lakey, Deputy City Attorney; Supervisor McGoldrick; Carol Roos, Legislative Analyst; Robert Garcia, Save Our Streets; Nick Fynn, Late Night Coalition; David Overdorf; Leslie Ayres; Phillip Faight, Union Square Association; Grant Davis, S. F. Line Dancers Association; Jeffrey Leibovitz; Sean Starbuck, Thump Radio Inc.; Gail Edwards; Bryan Dobson; Fred Hobson; Krishna; Lawrence Foard; Stephanie Tucker; Angelica Kuhl; Terrance Alan; Carlton Solle. Supervisor Newsom excused from committee due to conflict-of-interest. Continued to July 10, 2001.

7/10/01, CONTINUED. Heard in Committee. Speakers: Sergeant Ann Mannix, SFPD; Sergeant William Coggan, SFPD; Ted Lakey, Deputy City Attorney; Phillip Faight; Kathleen Harrington, Golden Gate Restaurant Association; Linda Mjellem, Union Square Association; Leslie Ayers, SF Late Night Coalition; Robert Garcia, Save Our Streets; Krishna, SF Late Night Coalition; Leigh Ann Matsche, Union Square Business Improvement District; Starchild, Libertarian Party; David Overdorf; Stephanie Tucker, SF Late Night Coalition; Frederick Hobson; Jeff Page; Jeffrey Leibovitz.

Supervisor Newsom excused from committee due to conflict-of-interest.

Continued to July 24, 2001.

7/23/01, CONTINUED. Supervisor Daly, seconded by Supervisor Leno moved to continued to July 30, 2001.

Called out of committee to be heard before the Board of Supervisors on July 23, 2001.

010941 [Superior Court employees, Deferred Compensation Plan]**Supervisor McGoldrick**

Ordinance extending to employees of the Superior Court of California, County of San Francisco, certain benefits which ordinarily accrue from participation in the City's Deferred Compensation Plan.

5/21/01, RECEIVED AND ASSIGNED to Finance Committee.

7/10/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Clare Murphy, Retirement System.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010942 [Superior Court, Retirement System]**Supervisor McGoldrick**

Ordinance extending to employees of the Superior Court of California, County of San Francisco, certain benefits which ordinarily accrue from participation in the Retirement System.

5/21/01, RECEIVED AND ASSIGNED to Finance Committee.

7/10/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Clare Murphy, Retirement System.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011093 [Pension Buy-Backs - Rollovers]

Ordinance amending the Administrative Code by adding Section 16.61-5 authorizing the Retirement System to accept rollovers from other tax qualified plans for buy-backs. (Retirement System)

6/6/01, ASSIGNED UNDER 30 DAY RULE to Audit, Labor and Government Efficiency Committee.

6/7/01, SUBSTITUTED. City Attorney submitted a substitute ordinance bearing new title.

6/7/01, ASSIGNED UNDER 30 DAY RULE to Audit, Labor and Government Efficiency Committee, expires on 7/11/2001.

Heard in Committee. Speakers: Clare Murphy, Retirement System.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Neighborhood Services and Parks Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (b)(3)(A) and 54956.9(c) and Administrative Code Section 67.10 (d)(2), for the purpose of conferring with, or receiving advice from, the City Attorney regarding anticipated litigation (City anticipated to be a defendant or a plaintiff) which may be filed regarding the City's horse stables in Golden Gate Park.

Unanimous vote to convene in closed session. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011302 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Romulo Fontanilla against the City and County of San Francisco for \$95,000.00 as back pay, with the Court to decide the amount of attorney's fees and costs with a floor of \$70,000.00 and a ceiling of \$120,000.00; the lawsuit was filed on October 28, 1996 in the U.S. District Court, Case No. C96-3916 JCS; entitled Romulo Fontanilla, et al., v. City and County of San Francisco, et al. (City Attorney)

7/11/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011221 [Settlement of Claim]

Resolution approving the settlement of the unlitigated claim filed by Christine Dean against San Francisco for \$32,000; claim was filed on October 30, 2000; additional material term of said settlement is the signing of liability against the City and County of San Francisco. (City Attorney)

6/27/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee

RECOMMENDED. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011193 [Settlement of Claim]

Resolution approving the settlement of the unlitigated claim filed by Knickerbocker Properties XXXIII against San Francisco for \$44,284.24; claim was filed on 04-06-2001; additional material terms of said settlement is the signing of full and final release of the City and County of San Francisco. (City Attorney)

6/21/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

7/10/01, CONTINUED. Continued to July 24, 2001.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011132 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by CARMEN LeFRANC against the City and County of San Francisco for \$51,000.00; the lawsuit was filed on August 5, 1999 in San Francisco Superior Court, Case No. 305440; entitled Carmen LeFranc, et al., v. City and County of San Francisco, et al. (City Attorney)

6/20/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

7/10/01, CONTINUED. Continued to July 24, 2001.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011131 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Plaintiffs Vicki Rooker, et al. against the City and County of San Francisco for \$114,054.77; the lawsuit was filed on March 9, 1999 in United States District Court, Case No. C99-1095; entitled Rooker, et al., v. City and County of San Francisco, et al; other material terms of said settlement are: (1) settlement pertains only to plaintiffs' claims that the city improperly computed plaintiffs' wages during the time period plaintiffs worked as classification 2532 paramedics; and (2) settlement proceeds to be broken out as follows: (i) \$62,703.18 in back overtime wages; (ii) \$31,351.59 in liquidated damages; and (iii) \$20,000 in attorneys' fees. (City Attorney)

6/20/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

7/10/01, CONTINUED. Continued to July 24, 2001.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

After a closed session, if one occurs, the Committee shall adopt a motion either to disclose or not to disclose.

Deputy City Attorney Ted Lakey reported that the Audit and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public. by the following vote:

Ayes: 2 - Newsom, McGoldrick

Absent: 1 - Daly

ADJOURNMENT

The meeting adjourned at 4:18 pm.

CITY AND COUNTY



OF SAN FRANCISCO

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

AUG 14 2001

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August 9, 2001

TO: Audit, Labor & Government Efficiency Committee
FROM: Budget Analyst
SUBJECT: August 14, 2001 Audit, Labor & Government Efficiency Committee Meeting

Item 1 - File 01-1320

Departments: Police Department (SFPD)
Department of Human Resources (DHR)

Item: Ordinance implementing the provisions of a new proposed Memorandum of Understanding (MOU) between the San Francisco Police Officers Association and the City and County for Bargaining Units P-1, P-2A and P-2B, effective July 1, 2001 through June 30, 2003.

Description: In October 1996, the Board of Supervisors approved an MOU with the Police Officers Association (POA) for the five-year period from July 1, 1996 through June 30, 2001. The proposed two-year MOU would be the successor agreement to this earlier five-year MOU which expired on June 30, 2001. The proposed POA MOU would extend for the two-year period, retroactive from July 1, 2001 through June 30, 2003, and cover the following 28 classifications, comprising a total of 2,448 budgeted positions.

P-1 Police Rank and File

Q-2	Police Officer
Q-3	Police Officer II
Q-4	Police Officer III
Q-20	Policewoman
Q-21	Policewoman II
Q-22	Policewoman III
Q-35	Assistant Inspector
Q-36	Assistant Inspector II
Q-37	Assistant Inspector III
Q-50	Sergeant
Q-51	Sergeant II
Q-52	Sergeant III
0380	Inspector
0381	Inspector II
0382	Inspector III
9350	Harbor Police Officer

P-2A Police Supervisory

Q-60	Lieutenant
Q-61	Lieutenant II
Q-62	Lieutenant III
Q-80	Captain
Q-81	Captain II
Q-82	Captain III

P-2B Police Management Supervisory

0400	Deputy Chief
0401	Deputy Chief II
0402	Deputy Chief III
0488	Commander
0489	Commander II
0490	Commander III

**Main Economic
Impact Changes:**

The proposed MOU provides for changes in base salary, a one-time special market wage adjustment, and changes in the compensation for special pay and premiums for specialized assignments, including the Bomb Squad, SWAT Team, Canine Duty, Motorcycle and Honda Unit, On-Call Duty and Court Appearances. The proposed MOU also provides for a one-time retention bonus, one additional floating holiday and changes in the health coverage and in the Wellness Program.

BOARD OF SUPERVISORS
BUDGET ANALYST

Salary Increases

The proposed MOU establishes the following schedule of salary increases totaling ten percent:

♦ Retroactive to July 1, 2001, a salary increase of	3.0%
♦ January 5, 2002 a salary increase of	2.0%
♦ July 1, 2002 a salary increase of	2.5%
♦ January 4, 2003 a salary increase of	<u>2.5%</u>
Total Salary Increases	10.0%

As shown in Attachment I provided by the Controller's Office, the Controller's Office estimates these wage increases will result in increased salary costs of \$6,745,879 in FY 2001-02 and an additional \$8,670,240 in FY 2002-03.

In addition to this ten percent salary increase, the proposed MOU provides for the following six percent special market wage increase based on market inequities:

♦ July 1, 2001 a salary increase of	1.0%
♦ January 5, 2002 a salary increase of	2.0%
♦ July 1, 2002 a salary increase of	1.5%
♦ January 4, 2003 a salary increase of	<u>1.5%</u>
Total Special Adjustments	6.0%

Therefore, uniformed Police employees would receive four percent wage adjustments every six months, retroactive to July 1, 2001, for total salary increases of 16 percent, over the proposed two year MOU.

These additional special wage adjustments are projected to cost the City an increased amount of \$3,440,905 in FY 2001-02 and an additional \$5,916,663 in FY 2002-03, as shown in Attachment I.

Special Pay

The proposed MOU also provides for special pay as follows:

- ♦ Bomb Squad and SWAT Team Premium – Employees assigned to the Bomb Squad or SWAT Team would receive a premium of five percent bi-weekly. Under

BOARD OF SUPERVISORS
BUDGET ANALYST

the existing MOU, employees assigned to the Bomb Squad and SWAT Team receive a fixed \$150 in additional compensation bi-weekly. This additional pay will not be included in the calculation of base wages for the purpose of calculating retirement benefits.

- ♦ Canine Duty Premium - Employees who perform canine unit duties, not at the Airport, would receive an additional five percent of base pay bi-weekly. Under the existing MOU, employees receive \$75 bi-weekly for this assignment and were reimbursed \$100 per month for canine related expenses. Employees assigned to the canine unit at the Airport will continue to receive a \$105 bi-weekly pay premium. This additional pay will not be included in the calculation of base wages for the purpose of calculating retirement benefits.

As detailed in Attachment I, the Controller's Office estimates that the proposed Bomb Squad, SWAT Team and Canine Duty Premiums will cost an additional \$135,647 in FY 2001-2002.

- ♦ Motorcycle or Honda Unit Premium - The premium for employees assigned to the Motorcycle or Honda Unit is proposed to increase from \$346 to \$365 monthly in accordance with the formula prescribed in Charter Section A.8.405(b).

As shown in Attachment I, this premium will result in increased costs of \$23,256 in FY 2001-02.

- ♦ On-Call Premium - Under the proposed MOU, employees assigned to a 24-hour on-call assignment would be paid a premium at the rate equivalent to two hours at time and one-half of their base hourly rate. Currently, such employees receive two hours of overtime pay, paid at time and one-half, such that there would be no difference in pay.

Ms. Alice Villagomez of DHR advises that the proposed change related to the On-Call Premium codifies existing practice and is therefore not an additional cost to the

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BUDGET ANALYST

City. However, the Budget Analyst notes that the creation of this On-Call Premium provision will artificially reduce Overtime spending by the Police Department by simply permitting the Police Department to charge such costs to Premium Pay, instead of Overtime Pay, but still be paid at Overtime rates.

- ♦ Court Appearance Premium - Under the current MOU, employees receive overtime pay, at a rate of 50 percent above their base salary, for court appearances. Under the proposed MOU, Police Officers required to appear in court on days that they are off-duty would receive three hours of the proposed Court Appearance Premium pay, at a rate 50 percent above their base salary. Officers appearing in court for one hour before the start of their scheduled watches would receive one hour of Court Appearance Premium pay. Members appearing in court for two hours but less than three hours would receive three hours of court premium pay.

As shown in Attachment I, there are no additional costs associated with the proposed Court Appearance Premium, because Police Officers currently receive overtime pay, at the same rate of pay as the proposed new Court Appearance Premium pay. In FY 2000-2001, the Police Department expended \$3,050,000 of overtime expenses for court appearances by Police Officers, or 21 percent of the total estimated sworn Officers overtime costs of \$14,550,000. The Budget Analyst notes that such overtime costs for court appearances by Police Officers are likely to continue at approximately the same rate. However, given that the proposed MOU would change the category of pay from Overtime costs to Court Appearance Premium costs, such Overtime costs would be artificially reduced for the Police Department, when in fact, such Overtime costs will not be changing, but would simply be charged instead to Premium Pay.

Retention Bonus

The proposed MOU provides for an additional one-time two percent retention bonus to be paid, effective July 1, 2002, to all sworn employees with 25 or more years of continuous service to the Police Department or the Airport Bureau. The existing MOU does not provide any such retention bonuses.

BOARD OF SUPERVISORS
BUDGET ANALYST

Under the proposed MOU, this retention pay would be included for the purpose of calculating retirement benefits and contributions.

As shown in Attachment I, the Controller's Office estimates that this one-time Retention Bonus would cost \$733,329 in FY 2002-2003.

Floating Holiday

The proposed MOU also establishes a fourth floating holiday for covered employees, effective July 1, 2002. Currently, Police Officers receive a total of 14 paid holidays, including three floating holidays.

The Controller's Office estimates that the proposed additional floating holiday would cost the City an additional \$360,500 beginning in FY 2002-2003.

Heath Care Coverage

In the proposed MOU, the amount of dependent health care coverage paid by the City would increase. Currently, the City pays \$225 per month for dependent health care coverage. Under the proposed MOU, the City's contribution would increase from a flat rate of \$225 per month to a formula equal to 75 percent of the cost of the Kaiser Health Plan rate for two or more dependents. In FY 2001-2002, 75 percent of the Kaiser Health Plan rate for two or more dependents would equal \$279 per month, which is an increase in the amount that the City pays for dependent health care coverage of \$54 per month (\$279 less \$225).

The proposed MOU contains new language stating that the City shall contribute 100 percent of the premium for the employee's portion of health care benefit coverage for employees who do not receive dependent health care benefits. The existing MOU provides contributions of the higher of either \$197 per month or according to rates prescribed by formula in the Charter (currently up to \$214 per month). Under the proposed MOU, the City would be responsible for paying 100 percent of the costs, or up to \$309 per month, an increase of up to \$95 per month per employee.

As shown in Attachment I, the Controller's Office estimates that these health care benefits will cost the City \$1,005,048

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for the increased dependent health care coverage and \$76,758 for the individual employee coverage, annually, beginning in FY 2001-2002.

Wellness Program

Under the existing MOU, there is a Wellness Program which entitles Police Department employees who accrue sick leave of at least 300 hours, and use 30 hours or less of sick leave in a given year, to cash out 50 hours of sick leave accrued during that fiscal year. Such payments by the City to the covered employee are not considered as part of an employee's salary for the purpose of computing retirement benefits.

The proposed MOU continues this existing Police Department Wellness Program and establishes an additional "Wellness Incentive Program". Under the proposed Wellness Incentive Program, the City would pay an employee 2.5 percent of accrued sick leave credits (up to 1,040 hours) for employees retiring after July 1, 2002, times the number of whole years of continuous employment times an employee's base salary rate, exclusive of premiums or supplements, at the time of retirement. Such payments would still not be considered for the purpose of calculating retirement benefits.

According to Ms. Pamela Levin of the Controller's Office, the existing Police Department's Wellness Program cost the City \$1,414,438 in FY 2000-2001. As shown in Attachment I, the Controller's Office estimates that the proposed new Wellness Incentive Program would cost the City an additional \$1,325,250, beginning in FY 2002-2003.

Estimated Costs: The Controller estimates that the proposed MOU would result in an incremental cost to the City of \$12,353,603 in FY 2001-2002 and an additional \$18,545,024 in FY 2002-2003 for a total cumulative cost, of \$43,252,230 for the two-year period of the MOU. A copy of the Controller's cost estimate is shown in Attachment I to this report.

In addition, the Controller notes that if the City chooses to designate the birthday of Cesar Chavez as a paid holiday during the upcoming fiscal year, there would be additional overtime and lost productivity costs for the Police Officers bargaining unit.

Comments:

1. Ms. Pamela Levin of the Controller's Office advises that the proposed increases in FY 2001-2002 costs would be funded with approximately 88 percent (\$10,871,171) of General Fund revenues and approximately 12 percent (\$1,482,432) of Airport and Port revenues. The increased FY 2001-2002 General Fund costs would be funded from the Salary and Benefits Reserve, as established in the FY 2001-2002 annual budget. At this time, Ms. Levin estimates that the Airport and Port have sufficient monies in their FY 2001-2002 budgets to fund these additional Police costs.

2. In addition to the cost increases estimated by the Controller's Office, the proposed changes in the subject MOU are likely to result in additional costs to the City in the future because three of the special pay premiums, the Bomb Squad, SWAT Team and Canine Duty Premium Pay would be calculated as a percentage of an employee's salary, versus the current flat fee amount for such specialized assignments. As a result, under the proposed MOU, as the base salary rates of employees increase, the costs to the City of providing these various special premiums would also increase.

3. Attachment II, provided by Ms. Villagomez contains a comparison of the salaries of Q-2 Police Officers in the SFPD with the two largest local jurisdictions in the Bay Area, Oakland and San Jose. According to Ms. Villagomez, in addition to the data contained in Attachment II, further wage increases for Oakland Police Department employees are currently pending before the Oakland City Council for adoption. Ms. Villagomez anticipates that Oakland Police Officers will receive additional wage increases similar to those presently received by San Jose Police Department employees.

As shown in Attachment II, SFPD employees are paid \$62,640 annually (\$5,220 monthly), which is \$447 per month, or an average of 7.9 percent less than the average base pay received by a comparable Police Officer in the Cities of Oakland and San Jose, as of July 1, 2000. However, the Budget Analyst notes that Attachment II does not compare other provisions of the proposed MOU with the Cities of Oakland and San Jose, such as premium pay, overtime pay, health benefits or other benefits. Over the two-year period of the proposed MOU, SFPD employees would receive regular

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wage and special wage adjustments of four percent, every six months, retroactive to July 1, 2001, for a total wage increase of 16 percent. As shown in Attachment II, compounding these four percent wage increases, every six months over the next two years, will result in actual wage increases for SFPD employees of 17 percent over the two-year period of the MOU, or a total annual base salary of \$73,284 (\$6,107 monthly), not including any premium pay or overtime pay. As shown in Attachment II, assuming no Police Officer wage increases in the City of Oakland after July 1, 2001, under the proposed MOU, beginning on July 1, 2003, SFPD employees would receive wages that are 0.7 percent higher than the average of these other two Bay Area cities.

4. The following excerpt from the Budget Analyst's December, 1996 Phase 1 Performance Audit of the Police Department addresses several issues that were subject to meet and confer between Police Department management and the Police Officers Association (POA).

Overtime Policies and Practices

During our review of Police overtime expenditures, we identified several policies and practices which reduce the efficiency and cost effectiveness of the Police Department. These policies and practices, which are described in further detail below, include: (1) paying police officers ten hours of overtime when working special events on their regularly scheduled days off, regardless of the actual number of hours worked; (2) limiting the authority of commanding officers when changing a police officer's schedule; (3) paying overtime to individuals at the rank of captain and above; and, (4) paying overtime wages on the same day or during the same week that a police officer takes leave. Our review of Overtime Policies and Practices found that:

- The Police Department has many policies and practices that result in a higher use of overtime than is necessary given current practices in other City departments, other jurisdictions, and Federal Fair Labor Standard Act (FLSA) provisions.*

- *Police Officers who work on their regular days off to provide police coverage for special events are customarily paid ten hours of overtime, even if less than ten hours are worked.*
- *Commanding officers cannot change a police officer's schedule more than three hours to staff a special event or to attend court while on-duty, increasing the probability that overtime will be paid.*
- *As previously noted, upper level managers are currently entitled to receive overtime wages for extra hours worked. In fact, 13 high ranked sworn employees, including the ranks of Captain, Commander and Deputy Chief, individually earned between \$9,750 and \$34,000 in overtime pay each in Calendar Year 1995.*
- *Although not required by the Fair Labor Standards Act, police officers are often paid overtime wages on the same day or in the same week during which they take leaves of absence.*
- *Police Department management should meet and confer with the Police Officers Association (POA) to revise or eliminate the policies and practices identified above. If fully implemented, the recommended changes included in this section would result in significant reduced overtime costs of up to \$1,957,200 per year, and a reduction in the amount of compensatory time-off currently being earned by police officers.*

5. In response to the 1996 audit findings cited above, Captain John Goldberg of the SFPD states that most of the overtime practices tend to be similar to benefits provided by other law enforcement agencies, and were unchanged to remain competitive in a very tight labor market. In some cases, the compensation is more generous than a) that provided to other job classifications, or b) the minimum compensation required by the Fair Labor Standards Act, but are consistent with the prevailing wages for Police Officers according to Captain Goldberg.

According to Captain Goldberg, the Police Department no longer pays ten hours of overtime for Police Officers who

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BUDGET ANALYST

work special events on their regularly scheduled days off, regardless of the actual number of hours worked. Captain Goldberg states that this practice was discontinued subsequent to the issuance of the December, 1996 Performance Audit report. The Police Department is unable to provide an estimate of the savings that have been achieved due to the implementation of this recommendation.

With regard to the Budget Analyst's Performance Audit finding that SFPD practices limited the authority of commanding officers to change a Police Officer's schedule, Section 28 of the existing MOU (Non-Emergency Special Event Assignments) stated that "*A member's regular watch shall not be changed more than three (3) hours to avoid the payment of overtime in the policing of an event of this sort*".

The proposed MOU includes new language as follows: "*A member's regular watch shall not be changed more than three (3) hours to avoid the payment of overtime in the policing of an event of this sort except that management may adjust regular watches up to seven (7) hours for July 4th, October 31st, and December 31st without incurring overtime costs.*"

The above new language partially addresses the Budget Analyst's Performance Audit recommendations in that it would permit Police Department management to alter shift schedules by up to seven hours for three days annually: the July 4th holiday, October 31st (Halloween) and December 31st (New Year's Eve), which are traditionally days of high overtime spending for special event coverage, in order to reduce overtime spending. The Police Department is unable to estimate savings that will result from this revised language. Under the proposed MOU however, the Police Department would be unable to alter shift schedules for any other days other than the three days noted above.

Further, Section 33 of the proposed MOU includes new language stating that

The Department will amend DGO [Department General Order] 3.08 (Court Appearances by Members) to allow officers working a midnight shift (a ten hour shift beginning on or after 2100), to adjust their shift hours to accommodate a court appearance on the succeeding day, provided minimum

BOARD OF SUPERVISORS

BUDGET ANALYST

staffing levels are met (i.e., an officer may adjust his or her shift from 2200-0800 to 2300-0900 or 0001-1000).

This provision could also reduce Court Overtime costs (which would become Court Premium Pay under the proposed MOU) should Police Officers elect to change their shift schedule so that a required court appearance could be made while the Police Officer was on duty, at straight time pay. However, the Budget Analyst notes that this provision is not subject to management control, and instead would be dependent on a voluntary decision made by each individual Police Officer who is scheduled for overtime. No savings estimate is provided by the Police Department as a result of this new language.

Attachment III to this report is a letter from the Police Department that addresses their assessment of the benefits of the proposed MOU.

Recommendation: Given (1) the high cost of the proposed MOU, (2) that this MOU does not completely address the Budget Analyst's Performance Audit findings to (a) limit the authority of commanding officers to change a Police Officer's schedule to avoid overtime, except for the three days per year of July 4th, October 31st and December 31st; b) pay overtime to individuals at the rank of Captain and above; c) pay overtime wages on the same day or during the same week that a Police Officer takes leave, and (3) that the proposed MOU would simply create On-Call and Court Appearance Premium provisions that will artificially reduce Overtime spending by the Police Department by permitting the Police Department to charge such Overtime costs to Premium Pay at Overtime rates instead of to Overtime Pay at Overtime rates, the Budget Analyst considers approval of the proposed ordinance to be a policy decision for the Board of Supervisors.



Edward Harrington
Controller

Matthew H. Hymel
Chief Assistant Controller

August 6, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 011320
Amendment to Memorandum of Understanding (MOU) with The San Francisco Police Officers Association

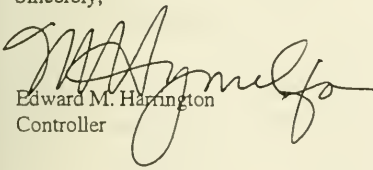
Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and the San Francisco Police Officers Association. The amendment covers the period July 1, 2001 through June 30, 2003, and affects 2,448 budgeted positions with an overall pay and benefits base of approximately \$192.5 million and a salary base of approximately \$168.6 million.

Based on our analysis, the amendment will result in incremental costs of approximately \$12.3 million in FY 2001-2002, and \$18.5 million in FY 2002-2003. The amendment will result in cost increases of approximately 6.4% above the overall pay and benefits base (approximately 7.3% above base salaries) in FY 2001-2002 and approximately 9.6% above the overall pay and benefits base (approximately 10.2% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition to the wage and benefit provisions in Attachment A, the MOU includes on-call assignment premium that cannot be quantified at this time. Furthermore, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and productivity costs for this bargaining unit. If you have additional questions or concerns please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,


Edward M. Harrington
Controller

Attachment

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
San Francisco Police Officers' Association
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$6,745,879	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$8,670,240
Wage Adjustments		
Across-the-board wage adjustment for all represented classes		
Effective 7/1/01 (1%)	1,686,470	
Effective 1/5/02 (2%)	1,754,435	1,754,435
Effective 7/1/02 (1.5%)		2,737,970
Effective 1/4/03 (1.5%)		1,424,258
Health		
Medically single benefit	76,758	
Increased dependent coverage to 75% Kaiser Index	1,005,048	
Additional Premiums and Benefits		
Motorcycles and Honda premiums	23,256	
Canine/Bomb Squad & SWAT premiums	135,647	
Additional floating holiday effective July 1, 2002 ¹		360,500
2% retention pay effective July 1, 2002 ²		733,329
Pilot Wellness Program ³		
2.5% of accrued sick leave effective July 1, 2002		1,325,250
Wage-Related Fringe Increases	926,111	1,539,041
Total Estimated Incremental Costs	\$12,353,603	\$18,545,024
Annual Amount Above 2000-2001 Level	\$12,353,603	\$30,898,627
Cumulative Total Above 2000-2001 Provisions		\$43,252,230
Incremental Cost % of 2000-2001 Total Pay & Benefits	6.4%	9.6%
Incremental Cost % of Base Salary	7.3%	10.2%

¹ Estimate is based on the assumption of 50% backfill with overtime.

² For all employees over 25 years of service.

Estimate is based on the assumption of 75 retired in FY2001-02.

³ For all employees eligible for retirement after July 1, 2002.

Estimate is based on average of 75 eligibles.

Public Agency	Comparison Title	07/01/00		01/01/01		07/01/01		01/01/02		07/01/02		01/01/03	
		Monthly	wage increase	Monthly	wage increase	Monthly	wage increase	Monthly	wage increase	Monthly	wage increase	Monthly	wage increase
Oakland	Police Officer	5610	1.48%	5610	0.00%	5693	0.00%	5693	0.00%	5693	0.00%	5693	0.00%
San Jose	Police Officer	5723	5.99%	5723	0.00%	6066	0.00%	6066	6.00%	6430	0.00%	6430	0.00%
City and County of SF Q2		5220	4.00%	5220	4.00%	5429	4.00%	5646	4.00%	5872	4.00%	6107	4.00%
	Average of Max Rates:	5667		5667		5880		5880		6061		6061	
	SF Compared to the Average:	-8.6%		-8.6%		-8.3%		-4.1%		-3.2%		0.7%	

italics = Oakland's new wage rates for ~7/1/01 forward are not currently available; anticipate wage increases comparable to those received in San Jose

POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCOTHOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103FRED H. LAU
CHIEF OF POLICE

August 9, 2001

Mr. Harvey M. Rose
Board of Supervisors
Budget Analyst
1390 Market Street, Suite 1025
San Francisco, CA 94102

Dear Mr. Rose,

The Department believes that the proposed Memorandum of Understanding between the City and County of San Francisco and the San Francisco Police Officers Association is a reasonable agreement to provide a prevailing wage to the sworn members of our Department. In order to meet desired staffing levels, it has been crafted to increase the retention of our most senior officers. At the same time, a pilot incentive program has been designed to reduce the use of sick time during the final years of service, at substantial savings to the City. The net effect will be more officers, providing more service to our residents, visitors and neighborhoods.

Reduced attrition was only one of the Department's goals in the proposed MOU. The Department also needs to attract and retain talented new police officers from a limited pool of interested applicants. While the proposed MOU does not compare favorably with the salary and benefits of all local jurisdictions, it does keep our Department competitive. The proposed MOU will allow the Department to continue to attract highly qualified candidates interested in serving San Francisco through a career in law enforcement.

More than simply a means to keep officers on the street, the proposed MOU strengthens the Department's internal controls by codifying existing practices. Moreover, it will reduce the dependence on overtime for special events on July 4th, October 31st and December 31st. New language adopted for members of the canine unit eliminates an overtime liability that was created under the Fair Labor Standards Act. In addition, the conversion of premium pay for members of the bomb squad from a fixed dollar amount will actually result in minor cost savings.

Proposed Memorandum Of Understanding
August 8, 2001
Page 2

Considering all market factors, the Department believes the proposed MOU to be a reasonable agreement between all parties and urges the Committee's approval. If you have additional questions or require additional information, I ask that you contact Captain John Goldberg of the Fiscal Division at 553-1039.

Very truly yours,


Fred H. Lau
Chief of Police


Item 4 - File 01-1167

Department: Board of Supervisors

Item: Ordinance amending San Francisco Administrative Code by adding Chapter 12S prohibiting the bulk purchase of gasoline and/or other motor vehicle fuel containing MTBE by City departments.

Description: The proposed ordinance would prohibit the City from entering into any new contracts and would prohibit extending the term of existing contracts for the bulk purchase of gasoline that contains the additive Methyl Tertiary-Butyl Ether (MTBE). According to the Office of the Sponsor, the proposed ordinance is intended to contribute to the development of a market for gasoline with alternatives to MTBE.

MTBE is an oxygenate added to gasoline in an effort to comply with State of California and Federal Clean Air Act standards for minimum oxygen levels for fuels and to help gasoline burn more cleanly. However, MTBE has been found to contaminate groundwater when underground fuel tanks leak. The United States Environmental Protection Agency has labeled MTBE as a possible carcinogen. Because of the environmental and health risks associated with its use, the California Legislature has prohibited the use of gasoline with MTBE in the State of California by December 31, 2002. Alternatives to the use of gasoline with MTBE include non-oxygenated gasoline and gasoline with other oxygenates, such as ethanol, a fuel additive derived from corn and other biological sources.

Federal law requires the use of oxygenated gasoline in "severe non-attainment areas," those areas with severe air pollution that do not meet certain Federal and State criteria for air quality, including Southern California and the greater Sacramento area. Although San Francisco is a "non-attainment area" it is not at the higher level of "severe non-attainment area" and therefore the use of oxygenated gasoline is not currently required in San Francisco. Currently, non-oxygenated gasoline and gasoline with ethanol are both available in the San

Francisco bay area as alternatives to gasoline with MTBE.

According to Mr. Ben Kawamura of the Purchasing Division, the City's current contract for the bulk purchase of gasoline with New West Petroleum will expire on October 31, 2001. Mr. Kawamura further reports that the new contract will be put out to bid by the end of August of 2001 and the award will be evaluated in October of 2001. The new contract will be for a period of three years, from November 1, 2001 through October 31, 2004.

The proposed ordinance would prohibit the purchase of gasoline with MTBE under the City's pending new contract to purchase gasoline. According to Mr. Kawamura, the Purchasing Division has included non-MTBE gasoline as a specification in the new contract bid documents. Because the State regulation prohibiting the use of MTBE is scheduled to go into effect on December 31, 2002, the new contract is subject to the Statewide ban on MTBE, beginning January 1, 2003, even without the proposed ordinance. However, if the proposed ordinance is approved by the Board of Supervisors, the City would be prohibited from the bulk purchase of gasoline with MTBE beginning thirty days after the Mayor signs the subject ordinance.

According to the California Energy Commission, gasoline with ethanol generally costs more per gallon than that with MTBE in part because ethanol is used in comparatively smaller amounts than MTBE and because corn-derived ethanol must be imported to California from other states to blend with gasoline. Because gasoline costs more per gallon than the oxygenate additives, blending the gasoline with more additives results in a comparatively lower price per gallon. Therefore, a gallon of gasoline oxygenated with MTBE is less costly because it is composed of about 85% gasoline and 15% MTBE, whereas a gallon of gasoline oxygenated with ethanol is more costly because it is composed of approximately 95% gasoline and 5% ethanol.

The California Energy Commission has estimated that the average retail price of gasoline could increase by

approximately \$0.06 or \$0.07 per gallon when the use of MTBE is ended Statewide. The price of regular unleaded gasoline with MTBE is currently approximately \$1.05 per gallon through New West Petroleum.¹ According to Mr. Jim Johnson of the Purchasing Division's Central Shops, the price of gasoline with ethanol is currently approximately \$1.125 per gallon² through the City's current vendor, New West Petroleum. This cost estimate includes \$0.05 per gallon for the additional cost of gasoline with ethanol and \$0.025 per gallon in increased transportation costs because the vendor would have to make extra trips to the refineries to pick up the gasoline with ethanol.

Budget:

The City currently purchases approximately 200,000 gallons of gasoline per month, or 2,400,000 gallons annually, under the current contract for the bulk purchase of gasoline. The use of gasoline with ethanol would have an estimated increased cost of approximately \$180,000, or 7.14%, annually compared to the cost of gasoline with MTBE, as shown below:

Current Prices of Regular Unleaded Gasoline:

	<u>MTBE</u>	<u>Ethanol</u>	<u>Estimated Cost Increase</u>	<u>Percent Increase</u>
<u>City's Present Usage</u>	\$1.05/gal	\$1.125/gal	\$0.075/gal	7.14%
200,000 gallons of gasoline/month	\$210,000	\$225,000	\$15,000	7.14%
2,400,000 gallons of gasoline/year	\$2,520,000	\$2,700,000	\$180,000	7.14%

Comments:

1. Mr. Kawamura advises that if the proposed ordinance is approved, the City may be required to purchase gasoline on a month-to-month basis because it may be difficult to find an acceptable long-term bid for a contract for gasoline without MTBE. Mr. Johnson further advises

¹ Gasoline prices are based on Oil Price Information Service (OPIS) price sheet averages for regular unleaded gasoline in the San Francisco area.

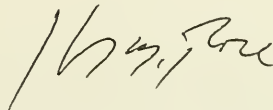
² The amount of \$1.125 is based on the OPIS price sheet average and New West Petroleum's estimates for transportation costs.

that given the current availability of gasoline with ethanol, he would anticipate potential shortages for the City's gasoline needs, if the City is prohibited from purchasing any gasoline with MTBE, in the immediate future. According to Mr. Johnson, purchasing gasoline on a month-to-month basis may mitigate some of the service problems because some vendors cannot guarantee the same amount of gasoline with ethanol every month.

2. The State regulation banning the use of MTBE is scheduled to go into effect December 31, 2002. At that time, the City will be required to eliminate the use of gasoline with MTBE. Therefore, any change in costs associated with the purchase of gasoline without MTBE as a result of the proposed ordinance are relevant only until December 31, 2002, after which time the City will be required under State law to purchase gasoline without MTBE even without the proposed ordinance.

Recommendation:

Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick
Clerk of the Board
Controller
Stephen Kawa



City and County of San Francisco

Meeting Minutes

Audit, Labor and Government Efficiency
Committee

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, August 14, 2001

1:00 PM

City Hall Room 263

Regular Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

DOCUMENTS DEPT.

The meeting convened at 1:03 p.m.

AUG 17 2001

011320 [MOU, Police Officers Association]
Mayor

SAN FRANCISCO
PUBLIC LIBRARY

Ordinance adopting and implementing the Memorandum of Understanding between the San Francisco Police Officers' Association (SFPOA) and the City and County of San Francisco to be effective for the period July 1, 2001, through June 30, 2003. (Mayor)

(Fiscal impact.)

7/16/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Supervisor Newsom; Alice Villagomez, Employee Relations Division, Human Resources Department; Supervisor McGoldrick; Chris Cunnie, President, Police Officers Association; Supervisor Daly; John Lehane, S. F. Veteran POA; Phil Ginsberg, Deputy City Attorney; Gale Wright, S. F. Veteran POA; Ted Lakey, Deputy City Attorney; Ernestine Weiss.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011381 [Tolling Agreement Extension with Irrigation District]

Resolution approving Tolling Agreement Extension with Modesto and Turlock Irrigation Districts. (City Attorney)

7/24/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. A confidential letter dated July 23, 2001 is on file with the Clerk of the Board.

Heard in Committee. Speakers: Ted Lakey, Deputy City Attorney; Supervisor Newsom.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

002084 [Community Courts Model]**Supervisor Newsom**

Hearing to discuss the community courts model that has been adopted in at least a dozen areas nationwide to handle quality of life crimes such as shoplifting, prostitution, and drug use.

11/20/00, RECEIVED AND ASSIGNED to Housing and Social Policy Committee.

2/1/01, TRANSFERRED to Neighborhood Services and Parks Committee. New committee structure.

5/17/01, FILED PURSUANT TO RULE 5.38.

6/25/01, REACTIVATED PURSUANT TO RULE 5.24. Supervisor Newsome requested this matter be reactivated.

6/25/01, ASSIGNED to Neighborhood Services and Parks Committee.

8/1/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee. To be heard at August 14 meeting.

Heard in Committee. Speakers: Supervisor Newsom; Elaine Forbes, Legislative Analyst; Supervisor McGoldrick; Supervisor Daly; Gabriel Cabrera, Legislative Analyst; Terance Hallinan, District Attorney; Mike Menesini, Deputy District Attorney; Jeff Adachi; Nicholas Rosenberg; Anita Hill, Yerba Buena Alliance; Ana Bolton-Arguello, Manager, Seneca Hotel, Carolyn Diamond, Market Street Association; Delphine Brody; Terrance Alan; Ernestine Weiss; Robert Garcia, Save Our Streets; David Overdorf; Jo Licata, Hilton Hotel; Gennie Nunley-Thompson, Drug Abuse Advisory Board; Ricardo Arguello; Karl VonWerther; Rosario Navarrette, Commission on Status of Women; Fredrick Hobson; Judith Edmund, Lefty Gordon Community Court; Diane Rose, Judge Arbitrator, Community Court; John Viola, Coalition on Homelessness; JR Manuel; Richard Brown; Bruce Windrem; Linda Mjellen, Union Square Association; Kathleen Gray, Coalition on Homelessness; Supervisor Newsom.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011167 [MTBE Purchase Ban]**Supervisor Newsom**

Ordinance amending San Francisco Administrative Code by adding Chapter 12S prohibiting the bulk purchase of gasoline and/or other motor vehicle fuel containing MTBE by City Departments.

(Fiscal impact.)

6/18/01, ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 7/18/2001.

6/29/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

Continued to September 25, 2001.

Supervisor McGoldrick absent.

CONTINUED by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011377 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Brenda Sgamba against the City and County of San Francisco for one hundred sixty-two thousand, seven hundred and fifty dollars and no cents (\$162,750.00), and to Sgamba's attorney Christopher Dolan (payable to The Dolan Law Firm) the total lump sum for costs and fees of one hundred sixty-two thousand, two hundred and fifty dollars and no cents (\$162,250.00) (for a total sum of \$325,000.00); the lawsuit was filed on March 16, 1999 in San Francisco Superior Court, Case No. 302-011; entitled Brenda Sgamba v. City and County of San Francisco, et al. (City Attorney)

7/25/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011378 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Robert Weidman against the City and County of San Francisco for \$27,500, plus an amount not to exceed \$20,000 for additional attorney's fee and cost; the lawsuit was filed on May 24, 2001, in the United States District Court, Case No. C99-4442 TEH; entitled Robert Weidman v. City and County of San Francisco, et al. (City Attorney)

7/25/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011442 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Scottie M. McKinney against the City and County of San Francisco for \$100,000; the lawsuit was filed on January 14, 2000 in United States District Court, Case No. C00-0175 MMC; entitled Scottie M. McKinney v. City and County of San Francisco; other material terms of said settlement are McKinney agrees to retire, and not to seek or accept employment from the City and County of San Francisco in the future. (City Attorney)

7/30/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

Report on Closed Session

Deputy City Attorney Ted Lahey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

ADJOURNMENT

The meeting adjourned at 4:40 p.m.

190.
SF
890-044
"1
8/28/01
cancelled
9/11/01
cancelled

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

NOTICE OF CANCELLED MEETINGS

AUDIT, LABOR AND GOVERNMENT EFFICIENCY COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meetings of the AUDIT, LABOR AND GOVERNMENT EFFICIENCY COMMITTEE scheduled for Tuesday, August 28 and September 11, at 1:00 p.m. at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, have been **cancelled**.

Gloria L. Young, Clerk of the Board

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AUDIT, LABOR AND GOVERNMENT EFFICIENCY COMMITTEE
S.F. BOARD OF SUPERVISORS
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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

SEP 24 2001

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September 20, 2001

TO: Audit, Labor & Government Efficiency Committee
FROM: Budget Analyst
SUBJECT: September 25, 2001 Audit, Labor & Government Efficiency Committee Meeting

Item 2 - File 01-1167

Note: This item was continued at the August 14, 2001 Audit, Labor & Government Efficiency Committee Meeting.

Department: Board of Supervisors

Item: Ordinance amending San Francisco Administrative Code by adding Chapter 12S prohibiting the bulk purchase of gasoline and/or other motor vehicle fuel containing MTBE by City departments.

Description: The proposed ordinance would prohibit the City from entering into any new contracts and would prohibit extending the term of existing contracts for the bulk purchase of gasoline that contains the additive Methyl Tertiary-Butyl Ether (MTBE). According to the Office of the Sponsor, the proposed ordinance is intended to contribute to the development of a market for gasoline with alternatives to MTBE.

MTBE is an oxygenate added to gasoline in an effort to comply with State of California and Federal Clean Air Act standards for minimum oxygen levels for fuels and to help gasoline burn more cleanly. However, MTBE has been

found to contaminate groundwater when underground fuel tanks leak. The United States Environmental Protection Agency has labeled MTBE as a possible carcinogen. Because of the environmental and health risks associated with its use, the California Legislature has prohibited the use of gasoline with MTBE in the State of California by December 31, 2002. Alternatives to the use of gasoline with MTBE include non-oxygenated gasoline and gasoline with other oxygenates, such as ethanol, a fuel additive derived from corn and other biological sources.

Federal law requires the use of oxygenated gasoline in "severe non-attainment areas," those areas with severe air pollution that do not meet certain Federal and State criteria for air quality, including Southern California and the greater Sacramento area. Although San Francisco is a "non-attainment area" it is not at the higher level of "severe non-attainment area" and therefore the use of oxygenated gasoline is not currently required in San Francisco. Currently, non-oxygenated gasoline and gasoline with ethanol are both available in the San Francisco bay area as alternatives to gasoline with MTBE.

According to Mr. Ben Kawamura of the Purchasing Division, the City's current contract for the bulk purchase of gasoline with New West Petroleum will expire on October 31, 2001. Mr. Kawamura further reports that a new contract will be put out to bid on September 21, 2001, with bids due by October 12, 2001. The new contract will be for a period of three years, from November 1, 2001 through October 31, 2004.

The proposed ordinance would prohibit the purchase of gasoline with MTBE under the City's pending new contract to purchase gasoline. According to Mr. Kawamura, the Purchasing Division has specifically included ethanol and other non-MTBE gasoline as specifications in the new contract bid documents. Because the State regulation prohibiting the use of MTBE is scheduled to go into effect on December 31, 2002, the new contract is subject to the Statewide ban on MTBE, beginning January 1, 2003, even without the proposed

BOARD OF SUPERVISORS

BUDGET ANALYST

ordinance. However, if the proposed ordinance is approved by the Board of Supervisors, the City would be prohibited from the bulk purchase of gasoline with MTBE beginning thirty days after the Mayor signs the subject ordinance.

According to the California Energy Commission, gasoline with ethanol generally costs more per gallon than that with MTBE in part because ethanol is used in comparatively smaller amounts than MTBE and because corn-derived ethanol must be imported to California from other states to blend with gasoline. Because gasoline costs more per gallon than the oxygenate additives, blending the gasoline with more additives results in a comparatively lower price per gallon. Therefore, a gallon of gasoline oxygenated with MTBE is less costly because it is composed of about 85% gasoline and 15% MTBE, whereas a gallon of gasoline oxygenated with ethanol is more costly because it is composed of approximately 95% gasoline and 5% ethanol.

The California Energy Commission has estimated that the average retail price of gasoline could increase by approximately \$0.06 or \$0.07 per gallon when the use of MTBE is ended Statewide. The price of regular unleaded gasoline with MTBE is currently approximately \$1.55 per gallon through New West Petroleum.¹ According to Mr. Jim Johnson of the Purchasing Division's Central Shops, the price of gasoline with ethanol is currently approximately \$1.62 per gallon² through the City's current vendor, New West Petroleum. This cost estimate includes \$0.06 per gallon for the additional cost of gasoline with ethanol and \$0.01 per gallon in increased transportation costs because the vendor would have to make longer distance trips to the refineries to pick up the gasoline with ethanol.

¹ Gasoline prices are based on Oil Price Information Service (OPIS) price sheet averages for regular unleaded gasoline, with the addition of sales, delivery and State Motor Vehicle Fuel (MVF) taxes in the San Francisco area for the first week of September of 2001.

² The amount of \$1.62 is based on the OPIS price sheet average, the addition of sales, delivery and MVF taxes and New West Petroleum's estimates for transportation costs for the first week of September of 2001.

Budget:

The City currently purchases approximately 200,000 gallons of gasoline per month, or 2,400,000 gallons annually, under the current contract for the bulk purchase of gasoline. The use of gasoline with ethanol would have an estimated increased cost of approximately \$168,000, or 4.52%, annually compared to the cost of gasoline with MTBE, as shown below:

Current Prices of Regular Unleaded Gasoline

	<u>MTBE</u>	<u>Ethanol</u>	<u>Estimated Cost Increase</u>	<u>Percent Increase</u>
	\$1.55/gal	\$1.62/gal	\$0.07/gal	4.52%
<u>City's Present Usage</u>				
200,000 gallons of gasoline/month	\$310,000	\$324,000	\$14,000	4.52%
2,400,000 gallons of gasoline/year	\$3,720,000	\$3,888,000	\$168,000	4.52%

Comments:

1. Mr. Kawamura advises that if the proposed ordinance is approved, the City may be required to purchase gasoline on a month-to-month basis because it may be difficult to find an acceptable long-term bid for a contract for gasoline without MTBE. Mr. Johnson further advises that given the current availability of gasoline with ethanol, he would anticipate potential shortages for the City's gasoline needs, if the City is prohibited from purchasing any gasoline with MTBE, in the immediate future. According to Mr. Johnson, purchasing gasoline on a month-to-month basis may mitigate some of the service problems because some vendors cannot guarantee the same amount of gasoline with ethanol every month.

2. The State regulation banning the use of MTBE is scheduled to go into effect December 31, 2002. At that time, the City will be required to eliminate the use of gasoline with MTBE. Therefore, any change in costs associated with the purchase of gasoline without MTBE as a result of the proposed ordinance are relevant only until December 31, 2002, after which time the City will be

required under State law to purchase gasoline without MTBE even without the proposed ordinance.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 3 - File 01-1608

Department: Department of Human Resources (DHR)
Emergency Communications Department (ECD)

Item: Ordinance implementing Amendment No. 3 to the 2000-2003 Memorandum of Understanding (MOU) between the Service Employees International Union (SEIU) Locals 250, 535 and 790 and the City and County of San Francisco by adding paragraphs 204a, 204b and 204c to the existing MOU. This contract amendment increases wages for Classification 8238, Public Safety Communications Dispatcher and Classification 8239, Senior Police Communications Dispatcher.

Description: There is an existing Memorandum of Understanding (MOU) between the City and SEIU Locals 250, 535 and 790 which became effective July 1, 2000 and will terminate on June 30, 2003, a three-year period.

According to Ms. Janet Bosnich of the Department of Human Resources (DHR), the proposed ordinance would add three new paragraphs to the existing MOU to implement a one-time wage adjustment for Classification 8238, Public Safety Communications Dispatcher, and Classification 8239, Senior Police Communications Dispatcher in the Emergency Communications Department. Ms. Bosnich advises that all of these positions are 911 emergency dispatchers and are represented by Local 790. Currently, there are 163 budgeted positions for these two classifications.

Ms. Bosnich advises that the proposed ordinance would implement Amendment No. 3 to the existing MOU between the City and SEIU Locals 250, 535 and 790. However, as noted above, Amendment No. 3 only affects Local 790 and two classifications comprising 163 budgeted positions for the period of July 1, 2001 through the termination of the MOU on June 30, 2003 and would not affect any employees in Locals 250 and 535.

The proposed ordinance amending the existing MOU would add paragraphs 204a, 204b and 204c to:

- Increase the pay rates by an additional 4.78 percent for Class 8238, Public Safety Communications Dispatcher, for Steps 3, 4 and 5 only (see Comment 3).
- Require that all 8238, Public Safety Communication Dispatcher employees at Steps 3, 4 and 5 receive this additional 4.78 percent pay rate increase retroactive to July 1, 2001.
- Increase the pay rate by five percent for all Steps of Class 8239, Senior Police Communications Dispatcher.
- Require that all 8239, Senior Police Communications Dispatcher employees at all Steps receive this additional five percent pay rate increase retroactive to July 1, 2001.

The proposed amendment, would be retroactive to July 1, 2001. A comparison of the existing salaries and the proposed salaries is as follows:

8238, Public Safety Communications Dispatcher

	Existing July 1, 2001 Annual <u>Pay Rates</u>	Proposed July 1, 2001 Annual <u>Pay Rates</u>	Annual <u>Change</u>
<u>Step</u>			
1	\$45,786	\$45,786	\$0
2	48,074	48,074	0
3	50,466	52,881	2,415
4	52,988	55,525	2,537
5	55,640	58,301	2,661

8239, Senior Police Communications Dispatcher

	Existing July 1, 2001 Annual <u>Pay Rates</u>	Proposed July 1, 2001 Annual <u>Pay Rates</u>	Annual <u>Change</u>
<u>Step</u>			
1	\$51,480	\$54,054	\$2,574
2	54,054	56,758	2,704
3	56,758	59,592	2,834
4	59,592	62,582	2,990
5	62,582	65,702	3,120

Comments:

1. The existing MOU provided for a two percent pay increase on July 1, 2001 for all covered employees. The proposed amendment would provide for up to a five percent pay increase, in addition to the two percent increase provided for in the existing MOU, for a total pay increase of up to seven percent as of July 1, 2001. However, the up to seven percent pay increase would only apply to Steps 3, 4 and 5 of Class 8238, Public Safety Communications Dispatcher and all Steps of Class 8239, Senior Police Communications Dispatcher. The next scheduled pay increase of three percent provided for in the existing MOU will become effective on January 5, 2002.

2. Ms. Bosnich advises in the attached memorandum (Attachment I) that the proposed Amendment No. 3 increases the pay rate by up to five percent for the two subject classifications because the City was experiencing a severe recruitment and retention problem with 911 dispatchers. Ms. Bosnich further advises that the up to five percent rate increase is based on a comparison of comparable base wage salaries paid to 911 dispatchers in San Jose. Attachment II, provided by Ms. Bosnich, contains a comparison of the salaries for the two subject positions in San Francisco and San Jose¹. As shown in Attachment

¹ Attachment II also references Class 8240, Police Communications Shift Supervisor. Ms. Bosnich advises that Class 8240 is represented by International Federation of Professional and Technical Engineers, Local 21. Under the terms of the existing Memorandum of Understanding effective July 1, 2001, Class 8240 received a 3.5 percent internal market wage adjustment and will receive an additional 3.5 percent internal

II, as of June 30, 2001, employees in Class 8238 Public Safety Communications Dispatcher in San Francisco are paid a maximum annual salary of \$54,574 (\$2,099 biweekly). The maximum annual salary for Class 8238 in San Francisco is 9.5 percent less than the maximum annual base salary of \$60,320 (\$2,320 biweekly) for the comparable position in San Jose as of June 30, 2001. Attachment II also shows that Class 8239 Senior Police Communications Dispatcher in San Francisco are paid a maximum annual base salary of \$61,360 (\$2,360 biweekly). The maximum annual salary for Class 8239 in San Francisco is 14.95 percent less than the maximum annual base salary of \$72,150 (\$2,775 biweekly) for the comparable position in San Jose as of June 30, 2001.

However, the Budget Analyst notes that Attachment II does not compare other provisions of the existing MOU with San Jose, such as premium pay, overtime pay, health benefits or other benefits. Ms. Bosnich notes that the Employee Relations Division of DHR does not typically survey special types of pay other than base salary in conducting comparability wage studies for contract amendments such as this. Ms. Bosnich notes that this contract amendment is exclusively related to wages.

If the proposed ordinance is approved, then the maximum annual base salary for Class 8238 would be \$58,301 and the maximum annual base salary for Class 8239 would be \$65,702, as identified in the table included in the Description above.

3. In Attachment I Ms. Bosnich advises that under the proposed ordinance, the pay rates for Class 8238, Public Safety Communications Dispatcher, Steps 1 and 2 would remain unchanged because Steps 1 and 2 are utilized only during the Dispatcher training program, which lasts 18

market rate adjustment on July 1, 2002 for a total internal market rate adjustment of seven percent to address the same recruitment and retention problem experienced by the 911 Dispatchers.

months. The pay range as of July 1, 2001 for Steps 1 and 2 is \$45,786 to \$48,074. Ms. Bosnich further advises that the new salary range for the 8238 Public Safety Communications Dispatcher would reflect a 10 percent pay difference between Steps 2 and 3 and a 5 percent pay difference between Steps 3 and 4 and Steps 4 and 5 to increase recruitment and retention of employees for the subject position.

4. Attachment III, provided by the Controller's Office estimates the total cost of the proposed ordinance at \$322,898 for FY 2001-2002, which is approximately 4.6 percent above the existing base salaries for these two classifications. Mr. Harrington advises in Attachment III that the monies to fund these one-time salary adjustments have been provided in the FY 2001-2002 budget.

5. According to Ms. Bosnich, if the proposed Amendment No. 3 is not approved, the City would continue to experience recruitment and retention problems in attracting and retaining 911 Public Safety Dispatchers.

6. The job title for Class 8239 is Senior Police Communications Dispatcher. Therefore, the proposed ordinance should be amended to correct the job title for Class 8239 by inserting the word, "Police" before "Communications" on lines six and fourteen of the proposed ordinance so that the job title reads, "Senior Police Communications Dispatcher."

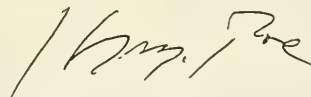
Recommendations:

1. In accordance with Comment 6 above, amend the proposed ordinance as follows:

- (a) On page 1, line six, in the title of the proposed ordinance, insert the word, "Police" before "Communications" so that the phrase reads, "Classification 8239 (Senior Police Communications Dispatcher)."
- (b) On page 1, line fourteen, insert the word, "Police" before Communications so that the phrase reads, "Classification 8239 (Senior Police Communications Dispatcher)."

Memo to Audit, Labor and Government Efficiency Committee
September 25, 2001 Audit, Labor and Government Efficiency Meeting

2. Approval of the proposed ordinance, as amended
is a policy matter for the Board of Supervisors.

A handwritten signature in dark ink, appearing to read "Harvey M. Rose", written in a cursive style.

Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick
Clerk of the Board
Controller
Ben Rosenfield

City and County of San Francisco



Department of Human Resources

ANDREA R. GOURDINE
HUMAN RESOURCES DIRECTOR

September 17, 2001

TO: Budget Analyst, Board of Supervisors

From: Janet Bosnich, Employee Relations Division, Department of Human Resources

Re: SEIU Amendment for Emergency Communications Dispatcher Classes

This memo is intended to clarify the necessity to grant the wage adjustment for classifications 8238 Public Safety Communications Dispatcher and 8239 Senior Police Communications Dispatcher. The Department of Emergency Communications has been experiencing a severe recruitment and retention problem for these classes. The neighboring Bay Area competitor, the City of San Jose, was offering higher base salaries and bonus signings. In order to provide an incentive to our employees, the City had to increase the base salaries offered to these classes. The reason steps 1 and 2 of the journey class 8238 were left unchanged is that recruitment is typically done at the maximum salary. The majority of the incumbents in class 8238 are at the 5th step. Steps 1 and 2 are utilized for training, and the dispatcher program lasts eighteen months. So there was no need to change these two steps. To retain employees following training, it became necessary to focus on increasing Steps 3, 4, and 5.

For classification class 8239 Senior Police Communications Dispatcher, the majority of incumbents have been at Step 5. To retain these employees it was necessary to increase the entire salary schedule for this class.

If this amendment is not approved, the City will continue to experience a recruitment and retention problem by not being able to fill their high vacancy rate and lose trained employees to its competitor, the City of San Jose.



Emergency Communications Department
1011 Turk Street, San Francisco, CA 94102
(415) 558-3800 Fax (415) 558-3841



Willie L. Brown, Jr. Mayor

Thera Bradshaw, Executive Director

March 7, 2001

Ms. Andrea Gourdine
Human Resources Director
44 Gough Street
San Francisco, CA 94103

Attention: Ms. Heurlin
Mr. Rothman

Dear Ms. Gourdine:

The ECD has just completed an extensive review and evaluation of our Dispatcher classifications: 8238 Public Safety Communications Dispatcher, 8239 Sr. Police Dispatcher Supervisor and 8240 Police Communications Shift Supervisor. During this review process we have had communications with ERD, the Mayor's Office, Local 790, and Bay Area 911 Dispatch agencies. Based on our analysis, it is our recommendation that the following classifications receive salary adjustments:

8238 Public Safety Communications Dispatcher,
8239 Sr. Police Dispatcher Supervisor and
8240 Police Communications Shift Supervisor

Background

The salary adjustment request is based on the following:

- **Equity**
The current salary standard does not accurately reflect the higher minimum qualifications, greater level of responsibility, higher call volume and the high security nature of call for San Francisco ECD dispatch positions as compared to other Bay Area 911 centers.
- **Recruitment**
There have been many articles in the broadcast and print media concerning the severe shortages of skilled dispatchers for 911 Centers in the Bay Area and across the country.
- **Retention**
Retention of 911 dispatchers is also a major consideration based on the salaries, minimum qualifications, duties and employment options available to dispatchers due to the multiple 911 Centers in the Bay Area.
- **Civilianization**
It is the major goal of the City and County of San Francisco to enable ECD civilian, 911 dispatchers, supervisors and managers to accept and dispatch fire, medical and EMS calls in addition to their current duties. Firefighters and Paramedics currently handle fire, medical and EMS calls.

1011 TURK STREET, SAN FRANCISCO, CA 94102
TELEPHONE (415) 558-3800; FAX (415) 558-3841

PRINTED ON RECYCLED PAPER

SAN FRANCISCO
 DEPT. OF PUBLIC SAFETY
 01 MAR -7 PM 3:43

Salary Analysis

Currently dispatch classifications in other Bay Area locality (San Jose, Redwood City, Contra Costa County, Oakland, Santa Clara and San Mateo) make more than ECD Dispatchers.

The following chart shows the pay difference between San Francisco dispatchers and comparable San Jose dispatchers classifications.

Current :

	San Francisco	San Jose	Difference
8238	1,727 - 2,099	1,909 - 2,320	10.5%
8239	1,942 - 2,360	2,282 - 2,775	17.6%
8240	2,048 - 2,490	2,560 - 3,112	25.0%

Proposed

	San Francisco	San Jose	Difference
8238	2,418 - 2,496	1,909 - 2,320	7.6%
8239	2,418 - 2,940	2,282 - 2,775	5.9%
8240	2,639 - 3,273	2,560 - 3,112	5.2%



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
Controller

Matthew H. Hymel
Chief Assistant Controller

September 14, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: File Number 011608
Amendment No. 3 to Memoranda of Understanding (MOU) with the Service Employees
International Union Locals 250, 535, and 790

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and the Service Employees International Union Locals 250, 535, and 790. The amendment covers the period of the current MOU, July 1, 2000 through June 30, 2003, and affects 163 budgeted positions with an overall salary base of approximately \$7.3 million.

The amendment provides a one-time wage adjustment effective July 1, 2001 by amending Article III.1, adding paragraphs 204a, 204b, and 204c, increasing wages for Classification 8238 (Public Safety Communications Dispatcher) and Classification 8239 (Senior Police Communications Dispatcher).

Based on our analysis, the amendment will result in cost increases of approximately \$323,000, about 4.6% above base salaries, in FY 2001-2002. Funding is provided in the FY2001-2002 budget to meet this one-time wage adjustment. Please see Attachment A for specific cost estimates.

If you have any additional questions or concerns please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,

Edward M. Harrington
Controller

Attachment

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
LOCALS 250, 535, and 790 - Amendment No. 3
Estimated Costs 2001-2002
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>
Wage Increases	
Public Safety Communications Dispatcher	
Job Class 8238 - additional 5% for Step 3 through Step 5	\$240,616
Senior Police Communications Dispatcher	
Job Class 8239 - 5 % internal wage adjustment	\$39,556
Wage-Related Fringe Increases	42,726
Total Estimated Incremental Costs	<u>\$322,898</u>
Annual Amount Above 2000-2001 Level	\$322,898
Incremental Cost % of Base Salary *	4.6%

*Calculations are based on current payroll data.



City and County of San Francisco
Meeting Minutes
Audit, Labor and Government Efficiency
Committee

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

[All Committees]
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Date: 9/26/01
94102-4689

Tuesday, September 25, 2001

1:00 PM

City Hall Room 263

Regular Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

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Meeting Convened

SEP 27 2001

The meeting convened at 1:10 p.m.

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011465 [Independent Auditors' Audit Plans for Fiscal Year Ended June 30, 2001]

Supervisor Newsom

Hearing to consider the audit plans for the City and County of San Francisco as issued by the City's independent auditors for the fiscal year ended June 30, 2001, in accordance with Charter Section 9.117.

8/6/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Sponsor requests this item be scheduled for consideration at the August 14, 2001 meeting at 1:00 p.m.

Heard in Committee. Speakers: Ed Harrington, Controller; Tiffany Rasmussen, KPMG; Supervisor Daly; Supervisor McGoldrick; Supervisor Newsom; Hugo Delgado, Rodriguez, Perez; Delgado and Company; Jim Karling, Karling & Associates, LLP.

Continued to October 9, 2001.

CONTINUED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011167 [MTBE Purchase Ban]

Supervisor Newsom

Ordinance amending San Francisco Administrative Code by adding Chapter 12S prohibiting the bulk purchase of gasoline and/or other motor vehicle fuel containing MTBE by City Departments.

(Fiscal impact.)

6/18/01, ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 7/18/2001

6/29/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee

8/14/01, CONTINUED. Continued to September 25, 2001.

Supervisor McGoldrick absent

Heard in Committee. Speakers: Supervisor Newsom; Ken Bruce, Budget Analyst's Office; Supervisor Daly; Supervisor McGoldrick; Judith Blackwell, Director, Office of Contract Administration, Purchasing Department; Ted Lakey, Deputy City Attorney; Jim Johnson, Central Shops, Purchasing Department; Jared Blunnenfeld, Interim Director, Department of Environment; Diane Oshimo, Port of S. F.; Kira Schmitz, Blue Water Network; Robert Honisuchi.

Amended to extend the effective date of ordinance to February 1, 2002.

Supervisors Daly and McGoldrick added as cosponsors.

AMENDED.

Ordinance amending San Francisco Administrative Code by adding Chapter 12S prohibiting the bulk purchase of gasoline and/or other motor vehicle fuel containing MTBE by City Departments, effective February 1, 2002.

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011608 [MOU, Amendment No. 3, Locals 250, 535, and 790]

Ordinance adopting and implementing Amendment No. 3 to the 2000-2003 Collective Bargaining Agreement between the Service Employees International Union, Locals 250, 535 and 790 and the City and County of San Francisco by amending Article III.A by adding paragraphs 204a, 204b and 204c, increasing wages for Classification 8238 (Public Safety Communications Dispatcher) and Classification 8239 (Senior Communications Dispatcher). (Human Resources Department)

9/5/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Alice Villagomez, ERD, Human Resources Department; Supervisor McGoldrick; Thera Bradshaw, Executive Director, Emergency Communications Department.

Amended to insert the word "Police" before the word "Communications" on page 1, lines 6 and 14; new title.

AMENDED.

Ordinance adopting and implementing Amendment No. 3 to the 2000-2003 Collective Bargaining Agreement between the Service Employees International Union, Locals 250, 535 and 790 and the City and County of San Francisco by amending Article III.A by adding paragraphs 204a, 204b and 204c, increasing wages for Classification 8238 (Public Safety Communications Dispatcher) and Classification 8239 (Senior Police Communications Dispatcher). (Human Resources Department)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011463 [Globe Security]

Supervisor McGoldrick

Hearing on the failure of Globe Security to negotiate with SEIU Local 790 as to terms and conditions of their employees working conditions.

8/6/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

ADJOURNMENT

The meeting adjourned at 2:59 p.m.

90.044
3
/9/01

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 4, 2001

TO: Audit, Labor & Government Efficiency Committee
FROM: Budget Analyst
SUBJECT: October 9, 2001 Audit, Labor & Government Efficiency Committee Meeting

Item 1 – File 01-1619

Department: Department of Human Resources (DHR)

Item: Ordinance adopting and implementing Amendment No. 1 to the Fiscal Year 2000* through 2003 Collective Bargaining Agreement between the City and County of San Francisco and the Automotive Machinists, Local 1414, by amending Article III.C., Part 6, to correct a clerical error by deleting the Standby Pay provisions in Part 6.

Description: The existing Memorandum of Understanding (MOU) between the City and the Automotive Machinists, Local 1414 became effective July 1, 2001 and will terminate on June 30, 2003, a two-year period (see Comment 1). This existing MOU covers 26 classifications, comprising a total of 430 budgeted positions. A list of the 26 covered classifications is included in Attachment I, which was provided by DHR.

DOCUMENTS DEPT.

OCT 13 2001

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The existing Automotive Machinists, Local 1414¹ MOU contains language providing standby pay equal to (1) 25 percent of base pay for the hours that employees are assigned to standby duty if no pager is provided by the Department and, (2) 10 percent of base pay for the hours that employees are assigned to standby duty if a pager is provided by the Department. These Standby Pay provisions were new under the Fiscal Year 2001 through 2003 MOU. The proposed amendment would delete both of these Standby Pay provisions.

Comments:

1. The subject ordinance would amend the 2001-2003 Automotive Machinists, Local 1414 MOU. However, page one, lines two and eight of the proposed ordinance incorrectly refer the to subject MOU as the 2000-2003 Collective Bargaining Agreement. Therefore, the Budget Analyst recommends amending page one, line six, in the title of the proposed ordinance and page one, line eight of the proposed ordinance by replacing "2000" with "2001," so that the phrase reads, "2001-2003 Collective Bargaining Agreement..."

2. According to Ms. Leeming, in April of 2001 the City and Local 1414 entered into interest arbitration over the proposed MOU for Fiscal Year 2001 through 2003 because the majority of Local 1414 members rejected that MOU. Mr. Martin Gran of the City Attorney's Office advises that interest arbitration is the form of impasse resolution provided under Charter Sections A.8.409-3 and A.8.409-4. In the attached memorandum (Attachment II), Ms. Leeming reports that during a mediation session just prior to the interest arbitration between the City and Local 1414, Local 1414 informed the City that they no longer wanted to include the new Standby Pay provisions in their contract. Ms. Leeming advises that Deputy City Attorney, Martin Gran, who was the lead negotiator in these MOU contract negotiations, agreed to remove these Standby Pay provisions during the mediation session. Therefore, the MOU approved by the Board of Supervisors on June 25, 2001 (File 01-0564) should not have included

¹ Ms. Elaine Leeming from DHR, Employee Relations Division advises that employees under Local 1414 work in the following departments: (a) Department of Parking and Traffic; (b) Public Utilities Commission; (c) Municipal Railway; (d) Administrative Services; (e) Airport Commission; and, (f) Port

the subject Standby Pay provisions, according to Ms. Leeming. If the proposed ordinance is approved, should a Local 1414 employee be assigned to standby duty they would not be compensated, which was the case under the previous MOU.

3. As shown in Attachment III, provided by the Controller's Office, the proposed Amendment No. 1 to the Automotive Machinists, Local 1414 MOU is estimated to save the City \$576 in FY 2001-2002 and similar levels in FY 2002-2003, for a total estimated savings of approximately \$1,152 over the two-year period of the MOU since the Standby Pay provisions only affected one eligible budgeted position. Ms. Pamela Levin of the Controller's Office advises that as of the writing of this report, no Standby Pay has actually been paid to any employees under this MOU.

4. According to Ms. Leeming, Amendment No. 1 to the existing Automotive Machinists, Local 1414 MOU would be effective as of July 1, 2001 because the inclusion of the subject Standby Pay provisions was a clerical error.

Recommendations:

1. In accordance with Comment 1, amend the proposed ordinance as follows:

- (a) on page one, line two, in the title of the proposed ordinance replace "2000" with "2001," so that the phrase reads, "2001-2003 Collective Bargaining Agreement..."
- (b) on page three, line eight of the proposed ordinance replace "2000" with "2001," so that the phrase reads "2001-2003 Collective Bargaining Agreement..."

2. Approve the proposed ordinance, as amended.

Classifications, Automotive Machinists Local 1414

<u>Class</u>	<u>Description</u>
7126	Mechanical Shop & Equipment Supt.
7225	Transit Paint Shop Supervisor I
7228	Automotive Transit Shop Supervisor I
7232	Hetch Hetchy Mechanical Shop Supervisor
7241	Senior Maintenance Controller
7249	Automotive Mechanic Supervisor I
7254	Automotive Machinist Supervisor I
7258	Maintenance Machinist Supervisor I
7264	Automotive Body & Fender Worker Supervisor I
7277	City Shops Assistant Superintendent
7305	Metal Fabricator
7306	Automotive Body & Fender Worker
7309	Car and Auto Painter
7313	Automotive Machinist
7315	Automotive Machinist Assistant Supervisor
7322	Automotive Body & Fender Worker Assistant Supervisor
7325	General Utility Mechanic
7330	Senior General Utility Mechanic
7331	Apprentice Maintenance Machinist
7332	Maintenance Machinist
7337	Maintenance Machinist Assistant Supervisor
7340	Maintenance Controller
7381	Automotive Mechanic
7382	Automotive Mechanic Assistant Supervisor
7387	Upholsterer
7434	Maintenance Machinist Helper

Provided by DHR 6/4/01

October 3, 2001

To: Maureen Singleton, Budget Analyst

From: Elaine Learning
Employee Relations Representative
Employee Relations Division

Re: Amendment No. 1
2001-2003 MOU for Local 1414 Automotive Machinists

This memo is to explain the clerical error resulting in Amendment No. 1 for the 2001-2003 MOU for Local 1414 Automotive Machinists.

Local 1414 received a new Standby Pay provision as part of a package offered during participation in the Craft "Big Table." Their new provision was similar to Standby provisions in the majority of other craft contracts. The contract was later rejected by a majority of Local 1414 members and moved to interest arbitration.

During a mediation session prior to arbitration, Local 1414 informed the City bargaining team that they no longer wanted to include the new Standby Pay provision in their contract. The City team agreed not to include the provision. Therefore, the contract submitted to the Board included the Standby Pay provision in error.

The Union notified our division of the error on June 29. The Union insisted that the provision be removed as previously agreed.

If you need further information, call me at 557-4802.



Edward Harrington
Controller

Matthew H. Hyme
Chief Assistant Controller

October 3, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 011619
Amendment No. 1 to the 2001-2003 Memorandum of Understanding (MOU) with Automotive Machinists
Local 1414

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of Amendment No. 1 to the 2001-2003 MOU between the City and County of San Francisco and the Automotive Machinists Local 1414. The amendment covering the period July 1, 2001 through June 30, 2003 deletes the Standby Pay provision and affects one budgeted position in Job Class 7325 with an overall pay and benefits base of approximately \$28.1 million and a salary base of approximately \$25.8 million.

Based on our analysis, the amendment will result in cost savings of approximately \$576 in FY 2001-2002 and similar levels thereafter. The cost savings is not significant compared to the overall pay and benefits base.

If you have additional questions or concerns please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,



Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Item 7 - File 01-1216

Department: Public Utilities Commission
Hetch Hetchy

Item: Hearing to consider the long-term contract entered into by the City and County of San Francisco and Calpine Energy.

Description: In May of 2001, the City entered into a contract with Calpine Energy Services, LP for the purchase of electric power. The term of the contract was five years, commencing on July 1, 2001 and ending on June 30, 2006.

Under the terms of the contract, the City is required to purchase 50 megawatts of electric power per hour on a continuous basis. The price of this purchase is a) \$115 per megawatt hour for the period of July 1, 2001 through December 31, 2001, and b) \$75.25 per megawatt hour for the period of January 1, 2002 through June 30, 2006.

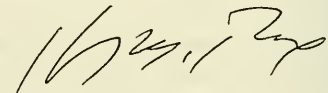
For Fiscal Year 2001-2002, the City will be required to purchase a total of 438,000 megawatt hours at a total cost of \$41,664,750. Over the five-year term of the contract, the City will be required to purchase a total of 2,190,000 megawatt hours at a total cost of \$173,502,750. The average price per megawatt hour that the City is required to purchase is \$79.225 under the Calpine Energy Services Contract.

Comments: 1. Hetch Hetchy has traditionally purchased power from wholesale sources to meet its contractual obligations for the sale of electric power to its customers when it is unable to generate sufficient electric power from its hydro-electric power generation facilities. In FY 2000-2001, the price for such power on the spot market increased from a range of \$20 to \$40 per megawatt hour to \$200 to \$300 per megawatt hour. Hetch Hetchy required a supplemental appropriation of \$25,400,000 to meet the increased expenditures resulting from the increased cost of such power on the spot market. The Calpine Energy Services Contract was entered into by the City to hedge against such high prices for wholesale electric power over the next five years. The shortage of supply that resulted in the increases in the price of wholesale electric power during FY 2000-2001 was expected to continue for up to three years with resulting price volatility, according to PUC testimony to the Board of Supervisors during the consideration of the proposed contract, with

lower prices in years four and five of the Calpine Energy Services Contract.

2. Since the approval of the Calpine Energy Services contract, the price of wholesale electric power has fallen dramatically, due in part to reduced demand for electricity and mild weather during the summer months. Power generation and supply has also increased since the first six months of calendar year 2001. According to Ms. Laurie Park, General Manager of Hetch Hetchy, the futures price for wholesale electric power for the fourth quarter of 2001 is \$30 per megawatt hour. Also, at this time, the futures price for wholesale electric power for calendar year 2002 is \$45 per megawatt hour according to Ms Park.

3. Representatives of the Public Utilities Commission and Hetch Hetchy will be in attendance at the October 9, 2001 Audit, Labor and Government Efficiency Committee Meeting to make a presentation to the Committee and to respond to the Committee's questions.



Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick
Clerk of the Board
Controller
Ben Rosenfield



City and County of San Francisco
Meeting Minutes
Audit, Labor and Government Efficiency
Committee

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, October 09, 2001

10:00 AM

Legislative Chamber

Rescheduled Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

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The meeting convened at 10:03 a.m.

OCT 11 2001

REGULAR AGENDA

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011619 [MOU Amendment No. 1, Automotive Machinists Local 1414]

Ordinance adopting and implementing Amendment No. 1 to the 2000-2003 Collective Bargaining Agreement between the Automotive Machinists, Local 1414 and the City and County of San Francisco by amending Article III.C., part 6, correcting a clerical error by deleting the Standby Pay provision. (Human Resources Department)

9/19/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speaker: Ken Bruce, Budget Analyst's Office.

Amended to replace "2000" with "2001" on page one, lines two and ten; new title.

AMENDED.

Ordinance adopting and implementing Amendment No. 1 to the 2001-2003 Collective Bargaining Agreement between the Automotive Machinists, Local 1414 and the City and County of San Francisco by amending Article III.C., part 6, correcting a clerical error by deleting the Standby Pay provision. (Human Resources Department)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010908 [Street Space Guidelines]**Supervisor Newsom**

Hearing on the development of construction signage for the purpose of reviewing the guidelines of both the Department of Public Works and the Department of Parking and Traffic for occupancy of street space for construction related work, specifically of: (1) Street space guidelines; (2) Additional street space guidelines.

5/14/01, RECEIVED AND ASSIGNED to Neighborhood Services and Parks Committee.

6/19/01, CONTINUED TO CALL OF THE CHAIR.

10/3/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

Continued to October 23, 2001.

CONTINUED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011682 [Mid-Year Budget Reduction Plan]**Supervisor Newsom**

Resolution urging the Mayor's Office to direct all City Departments to submit a mid-year Budget Reduction Plan. Reductions would total 3, 5, and 10% of all baseline 2001-2002 General Fund expenditures, with a separate plan for each level of reduction. Potential reductions should be listed in order of ascending relative priority with the lowest funding priority highlighted first. All plans would be submitted by November 15, 2001, including implementation plans and schedules.

9/24/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Supervisor Newsom; Steve Kawa, Mayor's Budget Office; Supervisor McGoldrick; Ted Lakey, Deputy City Attorney; Ed Harrington, Controller; Supervisor Daly.

Continued to October 23, 2001.

CONTINUED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011683 [Changing Economic Conditions]**Supervisor Newsom**

Resolution calling on the Mayor to establish a Special Issue Cabinet focused on the Hospitality and Tourism industry made up of members of both the private and public sector to identify initiatives to sustain the Hospitality and Tourism industry and related tax revenues. Further urging the Mayor to establish an Initiative Compliance Committee made up of senior City managers to promote the identification and adoption of cost-saving, revenue generating, and service enhancing goals for government of the City and County of San Francisco. Finally, urging the Mayor to investigate a hiring freeze to stabilize a balanced budget in the short term, and establishing a five year budget and economic development plan to ensure a balanced budget in the long term.

(10/9/01, Supervisor Newsom dissenting in committee.)

9/24/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Supervisor Newsom; Steve Kawa, Mayor's Budget Office; Supervisor McGoldrick; Ted Lakey, Deputy City Attorney; Ed Harrington, Controller; Supervisor Daly.
Supervisor Newsom dissenting in committee.

TABLED by the following vote:

Ayes: 2 - Daly, McGoldrick

Noes: 1 - Newsom

011465 [Independent Auditors' Audit Plans for Fiscal Year Ended June 30, 2001]**Supervisor Newsom**

Hearing to consider the audit plans for the City and County of San Francisco as issued by the City's independent auditors for the fiscal year ended June 30, 2001, in accordance with Charter Section 9.117.

8/6/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Sponsor requests this item be scheduled for consideration at the August 14, 2001 meeting at 1:00 p.m.

9/25/01, CONTINUED. Heard in Committee. Speakers: Ed Harrington, Controller; Tiffany Rasmussen, KPMG; Supervisor Daly; Supervisor McGoldrick; Supervisor Newsom; Hugo Delgado, Rodriguez, Perez, Delgado and Company; Jim Karling, Karling & Associates, LLP.

Continued to October 9, 2001.

Heard in Committee. Speakers: Ed Harrington, Controller; Tiffany Rasmussen, KPMG; Supervisor Newsom; Supervisor Daly; Yvonne Hudson, Deputy Director, Health System; Steve Kawa, Mayor's Budget Office; Supervisor McGoldrick.

FILED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011662 [Independent Auditor's Interim Management Letters]**Supervisor Newsom**

Hearing to consider the interim management letters for the City and County of San Francisco as issued by the City's independent auditors based on their interim testwork performed for the fiscal year ended June 30, 2001.

9/17/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Sponsor requests this item be scheduled for consideration at the September 25, 2001 meeting.

Heard in Committee. Speakers: Ed Harrington, Controller; Tiffany Rasmussen, KPMG; Supervisor Newsom; Supervisor Daly; Yvonne Hudson, Deputy Director, Health System; Steve Kawa, Mayor's Budget Office; Supervisor McGoldrick.

FILED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011216 [Long-term Power Contract with Calpine Energy]**Supervisors Peskin, Daly**

Hearing to examine the long-term contract entered into by the City and County of San Francisco and Calpine Energy on May 7, 2001.

6/25/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Continued to October 23, 2001.

CONTINUED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

010828 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Khary Butler against the City and County of San Francisco for \$50,000.00; the lawsuit was filed on March 19, 1998 in San Francisco Superior Court, Case No. 993-756; entitled Khary Butler, et al., v. City and County of San Francisco, et al; there are no other material terms to said settlement. (City Attorney)

5/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Confidential letter dated April 12, 2001 is on file with the Clerk of the Board.

6/5/01, City Attorney's Office advises that the claimant in this settlement has died. Do not place on agenda until further advised.

9/6/01, Revised confidential letter dated August 30, 2001 is on file with the Clerk of the Board.

City Attorney requests that this item be calendared at the October 9, 2001 meeting.

RECOMMENDED.. by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

011565 [Settlement of Claim]

Resolution approving settlement of the unlitigated claim of the United States Environmental Protection Agency in an amount not to exceed \$180,000 for payment of costs of responding to contamination at Casmalia Resources Hazardous Waste Disposal Site. (City Attorney)

8/28/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Department requests this item be calendared at the first Audit Committee meeting in October, 2001.

RECOMMENDED.. by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

011614 [Settlement of Legal Proceeding]

Ordinance authorizing settlement of an administrative penalty conditionally imposed by the Department of Public Works on Adesta Communications, Inc. (City Attorney)

9/12/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Confidential letter dated September 12, 2001 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

011670 [Settlement Of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Desiree Hamaoui against the City and County of San Francisco for \$60,000; the lawsuit was filed on September 20, 2000, in San Francisco Superior Court, Case No. 315-230; entitled Desiree Hamaoui v. City and County of San Francisco, et al. (City Attorney)

9/19/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Confidential letter dated August 3, 2001 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

011668 [Contingent Fee Agreement in Qui Tam Case re Substandard Waterworks Parts]**Supervisor Leno**

Resolution approving Contingency Fee Agreement in California ex rel. Nora Armenta v. James Jones Co., et al. (Los Angeles Superior Court No. BC 173487). (City Attorney)

9/19/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Confidential letter dated September 18, 2001 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

011717 [Settlement Of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Otto Arndt and Karl Heinz Arndt against the Estate of Zygmunt Arendt for payment of \$950,000 plus federal or state estate taxes, if any, to the contestants from the Estate of decedent Zygmunt Arendt; the lawsuit was filed on October 28, 1998 in San Francisco Superior Court, Case No. 270331; entitled Otto Arndt and Karl Heinz Arndt v. Ricardo Hernandez. (City Attorney)

9/24/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Confidential letter dated August 15, 2001 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

011739 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Claude Reissner against the City and County of San Francisco for \$150,000.00; the lawsuit was filed on 6/27/00 in United States District Court, Northern District, Case No. C00-1739(SBA); entitled Claude Reissner, et al., v. City and County of San Francisco, et al. (City Attorney)

10/2/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Confidential letter dated August 28, 2001 is on file with the Clerk of the Board.

Department requests this item be calendared at the October 9, 2001 meeting.

RECOMMENDED.. by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

Report on Closed Session.

Deputy City Attorney Ted Lakey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

ADJOURNMENT

The meeting adjourned 12:36 p.m.

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

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OCT 23 2001

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October 18, 2001

TO: Audit, Labor & Government Efficiency Committee
FROM: Budget Analyst
SUBJECT: October 23, 2001 Audit, Labor & Government Efficiency Committee Meeting

Item 3 – File 01-1840

Item: Motion directing the Budget Analyst to update its 1994 report on the cost of direct services provided to the homeless population in the City of San Francisco.

Description: The proposed motion would direct the Budget Analyst to update the 1994 report on the cost of direct services provided to the homeless population of San Francisco, by conducting a survey of City Departments to:

- a) provide a description of services provided;
- b) provide a count of the numbers of homeless persons served and the estimated costs of providing such services; and,
- c) separately identify the estimated costs of General Assistance payments to homeless individuals.

The Budget Analyst estimates that the proposed update to the 1994 report on the cost of direct services provided to the homeless population would require approximately 240 staff

hours. The cost of the proposed project, at the Budget Analyst's current hourly rate of \$95.65 per hour would total \$22,956.

Comment: The proposed update of the 1994 report on the cost of direct services provided to the homeless population would be performed under the Budget Analyst's base contract with the Board of Supervisors at no additional charge to the City.

The proposed project would be added to the current Budget Analyst performance audit schedule. The Budget Analyst is currently completing its performance audit of the San Francisco Fire Department and will be commencing a performance audit of the Department of Public Health as the next scheduled audit.

However, if the proposed motion is amended to assign the project to update the 1994 report on the cost of direct services provided to the homeless population on a priority basis, the project could be started simultaneously with the commencement of the Department of Public Health performance audit and would be completed in approximately two months.

Recommendation: Approval of the proposed motion is a policy matter for the Board of Supervisors.

Item 4 – File 01-1547

Item: Motion requesting the Controller and directing the Budget Analyst to prepare a management audit of the City's homeless programs.

Description: The proposed motion would request the Controller and direct the Budget Analyst to prepare a management audit of the City's homeless programs.

The proposed management audit would be a major project that would require, in the estimation of the Budget Analyst, approximately 1,800 to 2,000 hours of professional staff time to complete if a comprehensive review were undertaken. The cost of such a project would depend on the division of labor between the Controller's performance audit staff and the staff of the Budget Analyst's Office. The proposed management audit could be done with existing staff at no additional cost to the City. However, due to the current audit schedules of the Budget Analyst and the Controller, the proposed management audit could not be started immediately unless it was assigned on a priority basis.

Currently, the Budget Analyst is completing its performance audit of the San Francisco Fire Department and will be commencing a performance audit of the Department of Public Health as the next scheduled audit. Remaining performance audits scheduled for the Budget Analyst at this time include the Department of Recreation and Parks and the Department of Human Services.

Recommendation: Approval of the proposed motion is a policy matter for the Board of Supervisors.

Item 8 - File 01-1216

Department: Public Utilities Commission
Hetch Hetchy

Item: Hearing to consider the long-term contract entered into by the City and County of San Francisco and Calpine Energy.

Description: In May of 2001, the City entered into a contract with Calpine Energy Services, LP for the purchase of electric power. The term of the contract was five years, commencing on July 1, 2001 and ending on June 30, 2006.

Under the terms of the contract, the City is required to purchase 50 megawatts of electric power per hour on a continuous basis. The price of this purchase is a) \$115 per megawatt hour for the period of July 1, 2001 through December 31, 2001, and b) \$75.25 per megawatt hour for the period of January 1, 2002 through June 30, 2006.

For Fiscal Year 2001-2002, the City will be required to purchase a total of 438,000 megawatt hours at a total cost of \$41,664,750. Over the five-year term of the contract, the City will be required to purchase a total of 2,190,000 megawatt hours at a total cost of \$173,502,750. The average price per megawatt hour that the City is required to purchase is \$79.225 under the Calpine Energy Services Contract.

Comments: 1. Hetch Hetchy has traditionally purchased power from wholesale sources to meet its contractual obligations for the sale of electric power to its customers when it is unable to generate sufficient electric power from its hydro-electric power generation facilities. In FY 2000-2001, the price for such power on the spot market increased from a range of \$20 to \$40 per megawatt hour to \$200 to \$300 per megawatt hour. Hetch Hetchy required a supplemental appropriation of \$25,400,000 to meet the increased expenditures resulting from the increased cost of such power on the spot market. The Calpine Energy Services Contract was entered into by the City to hedge against such high prices for wholesale electric power over the next five years. The shortage of supply that resulted in the increases in the price of wholesale electric power during FY 2000-2001 was expected to continue for up to three years with resulting price volatility, according to PUC testimony to the Board of Supervisors during the consideration of the proposed contract, with

BOARD OF SUPERVISORS

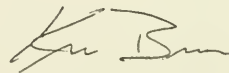
BUDGET ANALYST

lower prices in years four and five of the Calpine Energy Services Contract.

2. Since the approval of the Calpine Energy Services contract, the price of wholesale electric power has fallen dramatically, due in part to reduced demand for electricity and mild weather during the summer months. Power generation and supply has also increased since the first six months of calendar year 2001. According to Ms. Laurie Park, General Manager of Hetch Hetchy, the futures price for wholesale electric power for the fourth quarter of 2001 is \$30 per megawatt hour. Also, at this time, the futures price for wholesale electric power for calendar year 2002 is \$45 per megawatt hour according to Ms Park.

If the City had been able to enter into a five year contract for the purchase of electric power at an average price of \$45 per megawatt hour instead of \$79.225 per megawatt hour, the price for the Calpine contract, the full cost would have been \$98,550,000, or \$74,952,750 less than the \$173,502,750 cost for the Calpine contract.

3. Representatives of the Public Utilities Commission and Hetch Hetchy will be in attendance at the October 23, 2001 Audit, Labor and Government Efficiency Committee Meeting to make a presentation to the Committee and to respond to the Committee's questions.



Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick
Clerk of the Board
Controller
Ben Rosenfield

BOARD OF SUPERVISORS
BUDGET ANALYST



Meeting Minutes
Audit, Labor and Government Efficiency
Committee

94102-4689

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, October 23, 2001

1:00 PM

City Hall Room 263

Regular Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

The meeting convened at 1:06 p.m.

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REGULAR AGENDA

011406 [Board of Appeals Videotape of Meetings]
Supervisors Leno, McGoldrick

Ordinance amending the San Francisco Business and Tax Regulations Code by adding a new section 11.1 to require that the Board of Appeals videotape meetings and make the meetings available for broadcast on the City's government access channel.

7/30/01, ASSIGNED UNDER 30 DAY RULE to Audit, Labor and Government Efficiency Committee, expires on 8/29/2001.

Continued to November 13, 2001.

CONTINUED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011682 [Mid-Year Budget Reduction Plan]
Supervisor Newsom

Resolution urging the Mayor's Office to direct all City Departments to submit a mid-year Budget Reduction Plan. Reductions would total 3, 5, and 10% of all baseline 2001-2002 General Fund expenditures, with a separate plan for each level of reduction. Potential reductions should be listed in order of ascending relative priority with the lowest funding priority highlighted first. All plans would be submitted by November 15, 2001, including implementation plans and schedules.

9/24/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee

10/9/01, CONTINUED. Heard in Committee. Speakers: Supervisor Newsom; Steve Kawa, Mayor's Budget Office; Supervisor McGoldrick, Ted Lakey, Deputy City Attorney; Ed Harrington, Controller; Supervisor Daly.

Continued to October 23, 2001.

Heard in Committee. Speakers: Supervisor Newsom, Supervisor McGoldrick; Supervisor Daly.

TABLED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011840 [Budget Analyst Update of 1994 on Homeless Population]**Supervisor Newsom**

Motion directing the Office of the Budget Analyst to update its 1994 Report on the cost of direct services provided to the homeless population in the City and County of San Francisco.

10/9/01, REFERRED FOR ADOPTION WITHOUT COMMITTEE REFERENCE AGENDA AT THE NEXT BOARD MEETING.

10/15/01, REFERRED to Audit, Labor and Government Efficiency Committee. Supervisor Daly, seconded by Supervisor Newsom moved to refer to Committee.

Heard in Committee. Speakers: Supervisor Newsom, Supervisor McGoldrick; Supervisor Daly; Ken Bruce, Budget Analyst's Office; Ed Harrington, Controller; Ernestine Weiss; Fred Hobson; Ted Lakey, Deputy City Attorney.

Amended to give audit priority assignment for the Budget Analyst to complete; new title.

Supervisor Daly added as cosponsor.

AMENDED.

Motion directing the Office of the Budget Analyst to update its 1994 Report on the cost of direct services provided to the homeless population in the City and County of San Francisco; the completion of this update is a priority assignment.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

011547 [Audit, Homeless Services]**Supervisor Daly**

Motion requesting the Controller and directing the Budget Analyst to prepare a management audit of the City's homeless programs.

8/20/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Supervisor Newsom, Supervisor McGoldrick; Supervisor Daly; Ken Bruce, Budget Analyst's Office; Ed Harrington, Controller; Ernestine Weiss; Fred Hobson; Ted Lakey, Deputy City Attorney.

Amended to give the Controller lead on audit with cooperation of Budget Analyst; and providing for report to Committee on cost of services for homeless; new title.

Supervisor Newsom added as cosponsor.

AMENDED.

Motion requesting the Controller to prepare a management audit of the City's homeless programs with the cooperation of the Budget Analyst.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

010908 [Street Space Guidelines]**Supervisor Newsom**

Hearing on the development of construction signage for the purpose of reviewing the guidelines of both the Department of Public Works and the Department of Parking and Traffic for occupancy of street space for construction related work, specifically of: (1) Street space guidelines; (2) Additional street space guidelines. 5/14/01, RECEIVED AND ASSIGNED to Neighborhood Services and Parks Committee.

6/19/01, CONTINUED TO CALL OF THE CHAIR.

10/3/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

10/9/01, CONTINUED. Continued to October 23, 2001.

Heard in Committee. Speakers: Supervisor Newsom; Supervisor Peskin; Ed Lee, Director, Department of Public Works; Ken Cleavland, Building Owners Association.

Continued to November 27, 2001.

CONTINUED by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

011703 [Controller's Audit - Department of Building Inspection]**Supervisor Daly**

Hearing to consider the Controller's Audit of the Department of Building Inspection, and policy changes at the Department.

9/24/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Sponsor requests this item be considered at the October 9, 2001 meeting.

Heard in Committee. Speakers: Supervisor Daly; Ed Harrington, Controller; Mark Tipton, Controller's Office; Jodi Darby, Controller's Office; Frank Chiu, Director, Department of Building Inspection; Ken Cleavland, Building Owner's Association; Bob Davis; Patrick Buscavich; Paul Hogarth, Tenderloin Housing Clinic; Patrick Mulligan; Tony Sanchez-Corea; Boman Leong, S.F. Neighborhood Association; Millicent Bogert, Controller's Office.

FILED by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

011629 [Exotic Dance Establishments]**Supervisor Peskin**

Hearing to address the safety conditions within San Francisco's exotic dance establishments, the working conditions for dancers and other club employees, and to explore how public agencies can ensure a safe and healthy working environment within these establishments.

9/17/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Continued to November 13, 2001.

CONTINUED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011216 [Long-term Power Contract with Calpine Energy]**Supervisors Peskin, Daly**

Hearing to examine the long-term contract entered into by the City and County of San Francisco and Calpine Energy on May 7, 2001.

6/25/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

10/9/01, CONTINUED. Continued to October 23, 2001.

Continued to November 13, 2001.

CONTINUED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

011780 [Settlement of Lawsuit]

Ordinance authorizing settlement of the attorneys' fees and costs in the matter of Tayac v. City and County of San Francisco for \$99,500. The lawsuit was filed on September 26, 1995, in United States District Court, Case No. C95-3424 CAL; entitled Tayac v. City and County of San Francisco, et al. (City Attorney)

10/3/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

Report on Closed Session

Deputy City Attorney Ted Lakey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

ADJOURNMENT

The meeting adjourned at 3:46 p.m.

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

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November 8, 2001

TO: Audit, Labor & Government Efficiency Committee
FROM: Budget Analyst
SUBJECT: November 13, 2001 Audit, Labor & Government Efficiency Committee Meeting

Item 2 - File 01-1216

Note: This item was continued by the Audit, Labor & Government Efficiency Committee at its meeting of October 23, 2001.

Department: Public Utilities Commission
Hetch Hetchy

Item: Hearing to consider the long-term contract entered into by the City and County of San Francisco and Calpine Energy.

Description: In May of 2001, the City entered into a contract with Calpine Energy Services, LP for the purchase of electric power. The term of the contract was five years, commencing on July 1, 2001 and ending on June 30, 2006.

Under the terms of the contract, the City is required to purchase 50 megawatts of electric power per hour on a continuous basis. The price of this purchase is a) \$115 per megawatt hour for the period of July 1, 2001 through December 31, 2001, and b) \$75.25 per megawatt hour for the period of January 1, 2002 through June 30, 2006.

For Fiscal Year 2001-2002, the City will be required to purchase a total of 438,000 megawatt hours at a total cost of \$41,664,750. Over the five-year term of the contract, the City will be required to purchase a total of 2,190,000 megawatt hours at a total cost of \$173,502,750. The average price per megawatt hour that the City is required to purchase is \$79.225 under the Calpine Energy Services Contract.

Comments:

1. Hetch Hetchy has traditionally purchased power from wholesale sources to meet its contractual obligations for the sale of electric power to its customers when it is unable to generate sufficient electric power from its hydro-electric power generation facilities. In FY 2000-2001, the price for such power on the spot market increased from a range of \$20 to \$40 per megawatt hour to \$200 to \$300 per megawatt hour. Hetch Hetchy required a supplemental appropriation of \$25,400,000 to meet the increased expenditures resulting from the increased cost of such power on the spot market. The Calpine Energy Services Contract was entered into by the City to hedge against such high prices for wholesale electric power over the next five years. The shortage of supply that resulted in the increases in the price of wholesale electric power during FY 2000-2001 was expected to continue for up to three years with resulting price volatility, according to PUC testimony to the Board of Supervisors during the consideration of the proposed contract, with lower prices in years four and five of the Calpine Energy Services Contract.

2. Since the approval of the Calpine Energy Services contract, the price of wholesale electric power has fallen dramatically, due in part to reduced demand for electricity and mild weather during the summer months. Power generation and supply has also increased since the first six months of calendar year 2001. According to Ms. Laurie Park, General Manager of Hetch Hetchy, the futures price for wholesale electric power for the fourth quarter of 2001 is \$30 per megawatt hour. Also, at this time, the futures price for wholesale electric power for calendar year 2002 is \$45 per megawatt hour according to Ms Park.

If the City had been able to enter into a five year contract for the purchase of electric power at an average price of \$45 per megawatt hour instead of \$79.225 per megawatt hour, the price for the Calpine contract, the full cost would have been

\$98,550,000, or \$74,952,750 less than the \$173,502,750 cost for the Calpine contract.

3. The Budget Analyst has reviewed the financial information and the risk analysis submitted to the Public Utilities Commission by Hetch Hetchy management prior to the PUC's approval of the Calpine contract in May of 2001. Based on this information, it was clear that the wholesale electric market volatility and the \$200 to \$300 price per megawatt hour for such electricity at that time, created significant financial risk that could have resulted in Hetch Hetchy expenditures substantially exceeding operating revenues on an annual basis.

The PUC approved the Calpine agreement, and recommended that the Board of Supervisors also approve the contract, in order to hedge against the likelihood, as indicated by wholesale market conditions in May of 2001, that the Hetch Hetchy enterprise fund would not be able to remain self supporting and fund required facilities maintenance and capital improvement projects.

The Budget Analyst concludes that, based on the extraordinary wholesale electricity market volatility and wholesale prices during the first four months of 2001, and independent economic forecasts that such market volatility would remain for an extended period of time, the decision to enter into the Calpine contract by the Public Utilities Commission and the Board of Supervisors was reasonable and prudent. The Budget Analyst also concludes that the contract has resulted in significant profit for Calpine Energy Services, and a significant cost to the City in relation to current wholesale market conditions, since the contract was executed in May of 2001.

4. Representatives of the Public Utilities Commission and Hetch Hetchy will be in attendance at the November 13, 2001 Audit, Labor and Government Efficiency Committee Meeting to make a presentation to the Committee and to respond to the Committee's questions.

Items 4 and 5 – Files 01-1843 and 01-1868

Department: Department of Human Resources
Fire Department

Item: File 01-1843
Ordinance adopting and implementing the Memorandum of Understanding between the San Francisco Fire Fighters Union, Local 798, IAFF, AFL-CIO, Unit 1, and the City and County of San Francisco, to be effective for the period retroactive to July 1, 2001 through June 30, 2003.

File 01-1868
Ordinance adopting and implementing the Memorandum of Understanding between the San Francisco Fire Fighters Union, Local 798, IAFF, AFL-CIO, Unit 2, and the City and County of San Francisco, to be effective for the period retroactive to July 1, 2001 through June 30, 2003.

Description: In 1999, the Board of Supervisors approved two Memoranda of Understanding (MOU) with the Firefighters Union Local 798, Bargaining Units 1 and 2, for the two-year period from July 1, 1999, through June 30, 2001. The two proposed MOUs, which are the successor agreements to the MOUs that expired on June 30, 2001, would be for two years, retroactive from July 1, 2001, through June 30, 2003, cover 1,648 positions.

Bargaining Unit 1 covers the following 17 classifications:

H-2	Fire Fighter
H-3	Fire Fighter Paramedic
H-4	Inspector, Fire Prevention and Public Safety
H-6	Investigator, Fire Prevention
H-10	Chief's Operator, Fire Department
H-16	Technical Training Specialist, Fire Department
H-18	Coordinator of Community Services
H-19	Operations – Training Supervisor, Airport
H-20	Lieutenant, Fire Department
H-22	Lieutenant, Fire Prevention and Safety
H-24	Lieutenant, Fire Investigation
H-28	Lieutenant, Division of Training
H-29	Special Services Officer
H-30	Captain, Fire Department
H-32	Captain, Fire Prevention and Public Safety
H-33	Captain, Emergency Medical Services
H-39	Captain, Division of Training

Bargaining Unit 2 covers the following five uniform classifications:

H-40	Battalion Chief
H-43	EMS Section Chief
H-50	Assistant Chief
H-110	Marine Engineer of Fire Boats
H-120	Pilot of Fire Boat

The major economic changes of the two new subject MOUs include the following:

Wage Increase

The covered employees would receive wage increases, totaling 10 percent of base wages over the two-year term of the MOUs, as follows:

Effective July 1, 2001	3.0%
Effective January 5, 2002	2.0%
Effective July 1, 2002	2.5%
Effective January 4, 2003	<u>2.5%</u>
Total	10.0%

According to Ms. Alice Villagomez of DHR, the wage increases provided in the two subject MOUs are consistent with the wage increases provided to other City

employees for FY 2001-2002 and FY 2002-2003, including the wage increases provided to employees covered by the San Francisco Police Officers Association MOU. Ms. Villagomez states that the three percent wage increase, effective July 1, 2001, would be retroactive and would be paid as a lump sum payment following the date in which the Board of Supervisors ratifies the two subject MOUs. According to Ms. Villagomez, the subject MOUs are retroactive to July 1, 2001, pursuant to San Francisco Charter Section 8.590-4, which provides for the effective date of the subject MOUs¹.

Special Wage Adjustments

In addition to the wage increases discussed above, all covered employees would receive additional wage adjustments, totaling six percent over the two-year term of the MOUs. Therefore, the total increase in base wages over the two-year term of the MOUs would actually be 16 percent, which includes the above noted 10 percent wage increase plus the following six percent special wage adjustment.

Effective July 1, 2001	1.0%
Effective January 5, 2002	2.0%
Effective July 1, 2002	1.5%
Effective January 4, 2003	<u>1.5%</u>
Total	6.0%

As noted in Attachment I, provided by DHR, the proposed wage rate effective July 1, 2001 for San Francisco H-2 Fire Fighters is 15.5 percent less than the wage rates for comparable classifications in San Jose and Oakland. Ms. Villagomez states that the proposed 16 percent wage increase over the two-year term of the subject MOUs, which includes a 10 percent increase in the base wage rate and a 6 percent special wage adjustment, is necessary to maintain wage competitiveness with other local jurisdictions. Additionally, the proposed 16 percent

¹ According to Ms. Villagomez, under the Charter, DHR is required to complete negotiations with employee organizations other than the Police Officers Association and the Fire Fighters Union prior to the expiration date of the respective MOUs. Ms. Villagomez states that, because the Charter does not specifically require DHR to complete negotiations with the Fire Fighters Union by the expiration date of the MOU, DHR completed negotiations with 32 other employee organizations prior to completing negotiations with the Fire Fighters Union.

wage increase is the same increase contained in the Police Officers Association MOU, which was ratified by the Board of Supervisors in August of 2001.

The Budget Analyst notes that the wage comparison in Attachment I between San Francisco Fire Department H-2 Fire Fighters and comparable San Jose and Oakland Fire Department classifications is based upon the base rate of pay, which for the San Francisco H-2 Fire Fighter includes the 3 percent wage increase and 1 percent special wage adjustment effective July 1, 2001, but does not include other premium and benefit payments that constitute the wage and benefit package overall.

As shown in Attachment II, provided by the Controller's Office, the wage increases will result in increased salary costs of \$4,869,359 in FY 2001-2002 and an additional \$6,258,415 in FY 2002-2003. The special wage adjustments will result in increased costs to the City of \$2,483,739 in FY 2001-2002 and \$4,270,809 in FY 2002-2003.

Overtime

The proposed MOUs modify existing language, clarifying that the Department Chief or designee must authorize any time actually worked as overtime. Additionally, the proposed MOUs contain new language, codifying the existing practice of paying covered employees, who are regularly assigned a 40-hour work week (or 80 hours per pay period) and who work overtime hours in Suppression (in which the work week is 48 hours or 96 hours per pay period), at time and one-half of the hourly rate based on a 96-hour pay period, and not based on an 80 hour pay period. For example, under the proposed MOUs, the biweekly pay rate for the H-2 Fire Fighter at Step 5 is \$2,505.69 and the hourly rate for the H-2 Fire Fighter at Step 5 who works 80 hours per pay period is \$31.32 (\$2,505.69 divided by 80) and the hourly rate for the H-2 Fire Fighter at Step 5 who works 96 hours per pay period in suppression is \$26.10 (\$2,505.69 divided by 96). Therefore, if an H-2 Fire Fighter, who is regularly assigned to work 80 hours per pay period and is paid \$31.32 per hour, works overtime in suppression, the Fire Fighter would be paid for the overtime hours worked at

the rate of time and one half the hourly suppression rate of \$26.10. According to Ms. Villagomez, these two overtime provisions, which codify existing practices within the Fire Department, are not new practices within the Department and therefore, do not result in any cost savings.

Standby Pay

The MOUs contain a new provision for standby pay which would equal 10 percent of base pay for all hours on assigned standby. Under the proposed MOUs, when the Department assigns a covered employee to standby duty, the Department would provide a pager or cell phone to the employee for the period of standby duty and would pay the employee 10 percent of regular base pay for all hours on standby duty. If the Department calls the employee, who is on assigned standby duty, to active duty, the covered employee would be paid the regular rate of pay at the appropriate straight time or time and one half rate², plus actual travel time to and from the assignment, not to exceed one hour of travel time each way. According to Ms. Villagomez, under the current practice, if the Department requires a covered employee to be available for court appearances or depositions related to his or her employment, the employee reports to the appropriate location for the court appearance or deposition and is paid overtime at the rate of time and one half for all the hours that he or she is at that location, waiting to be called for the court appearance or deposition. Under the proposed MOUs, rather than reporting to the location and waiting to be called for the court appearance or the deposition, the covered employees would be on standby and would receive 10 percent of his or her regular rate of pay until called to report for the court appearance or deposition. Under the proposed MOUs, when the employee who is on standby is called to report for the court appearance or deposition, the employee would be paid either the regular rate of pay or overtime pay at time and one-half, depending on the number of hours the employee has worked in the pay period, plus actual travel time. Ms. Villagomez states that the inclusion of a new standby provision is an effort

² The determination whether the covered employee would be paid at the straight time rate or the rate of time and one-half would depend upon whether the employee would have worked more than 96 hours in the pay period, in accordance with the MOU.

by the City to reduce the Department's overall overtime expenditures, although the Department has not provided an estimate of the cost savings that would result from the proposed standby provision.

Dispatcher Premium

Ms. Villagomez states that approximately 54 firefighters have been assigned to the Emergency Communications Department (ECD) since April of 2001. According to Ms. Villagomez, when the Department began assigning these firefighters to the ECD in April of 2001, the Department assigned the firefighters to 42-hour workweek schedules³ and paid 2 hours of overtime each workweek for hours worked in excess of 40. Under the proposed MOU with Bargaining Unit 1, firefighters assigned to ECD would continue to have a 42-hour work week but would not be eligible for overtime until they have worked more than 42 hours in the week. However, the proposed MOU with Bargaining Unit 1 provides an 8 percent dispatcher premium for all 42 hours worked in the ECD. The Budget Analyst notes that the proposed 8 percent premium results in an actual pay increase of approximately 1.75 percent for firefighters assigned to ECD.⁴ The proposed dispatcher premium would be excluded from the calculation of retirement benefits and from payment of disability benefits. While further increasing costs, the Budget Analyst notes that the proposed dispatcher premium would also artificially reduce the costs of overtime to the City, by permitting the Fire Department to charge such costs to Premium Pay, instead of Overtime Pay. The Controller's Office estimates that the proposed

³ Because the ECD is a 24-hour, 7 day operation, the ECD uses 42-hour rather than 40-hour workweek schedules to achieve an even number of scheduling slots over a seven day period. Each scheduling slot equals 168 hours (24 hours times 7 days), equal to four 42-hour work assignments (168 divided by 42).

⁴ Currently, the Department pays firefighters assigned to the ECD overtime at the rate of time and one half for two hours of work in excess of 40 hours in one week. According to the Controller's Office, the current overtime pay practice equals 6.25 percent of salary costs for firefighters assigned to the ECD, which is 1.75 percent less than the 8 percent dispatcher premium.

dispatcher premium will result in \$60,134 in additional costs in FY 2001-2002.

Holiday Pay

Currently, covered employees working in suppression receive a six percent holiday premium per pay period. If a covered employee uses sick pay on a designated holiday, that employee does not receive the six percent holiday premium for that pay period. In the Budget Analyst's report on the prior Fire Fighter MOUs (Files 99-1032 and 99-1033), the Budget Analyst noted that when a firefighter uses sick pay on one designated holiday, the firefighter is absent for 9.1 percent of the annual holidays (one holiday out of 11 designated holidays) but forfeits only 3.8 percent of the holiday premium (one pay period out of 26 pay periods annually). Under the proposed MOUs, if the covered employee working in suppression uses sick pay on the day before, the day of, or the day after a designated holiday, the employee would not receive the six percent holiday premium for two pay periods. Therefore, under the proposed MOUs, when a firefighter uses sick pay on a designated holiday, the firefighter would be absent for 9.1 percent of the annual holidays but would forfeit 7.69 percent of the holiday premium (two pay periods out of 26 pay periods), and would forfeit an additional 7.69 percent of the holiday premium for using sick pay on the day before and the day after a designated holiday. According to the Controller's Office, the proposed change in the holiday premium would result in minor cost savings.

Additionally, the proposed MOUs would codify the existing practice of deducting the six percent holiday premium for covered employees while on medical disability for one pay period when there is a holiday.

Daily Acting Assignments

The proposed MOUs contain new language, clarifying the existing practice that increased pay for acting assignments for longer than 30 days must be made in writing by the Department Chief and must be an authorized budgeted position.

Other Premium Pay

The proposed MOUs contains the following new or modified premium pay provisions:

- The proposed MOUs contains new language, excluding the payment of Hazardous Materials Pay, Emergency Medical Technician Pay, Apparatus Operator Assignment Pay, Paramedic Preceptor Differential, Paramedic Certification Pay for classifications H-20 Lieutenant and H-30 Captain, and Bilingual Pay to all covered employees while receiving disability benefits. Under the proposed MOUs, covered employees receiving disability benefits would continue to receive Acting Assignment Pay, Training and Education Achievement Pay, and Administrative Assignment Pay. According to the Controller's Office, excluding the payment of the specific premiums to all covered employees while receiving disability benefits would result in minor cost savings.
- Currently, covered employees who are enrolled in the paramedic cross training program receive a three percent paramedic training differential biweekly for the first six months of participation in the cross training program and a five percent paramedic training differential biweekly while participating in the cross training program after six months. Under the proposed MOUs, employees entering the paramedic cross training program after the effective date of the proposed MOUs would receive the paramedic training differential as a lump sum payment upon successful completion of the cross-training program. According to Ms. Villagomez, paying the paramedic training differential as a lump sum payment rather than as an on-going premium provides an incentive to covered employees to complete the paramedic cross-training program. According to the Controller's Office, the proposed lump sum payment would result in a minor cost savings.
- Under the proposed MOUs, covered employees with 27 years or more of service would receive an additional two percent of base pay as a retention premium, commencing July 1, 2002. The proposed two percent

premium would be included in the base salary for purposes of calculating the amount of benefits a covered employee receives upon retirement. Also, a covered employee who is eligible for the two percent retention premium would continue to receive the premium while receiving disability benefits, under the proposed MOUs. The Controller's Office estimates that the proposed two percent retention premium would result in additional costs to the City of \$446,773 in FY 2002-2003.

Based on discussions with the Controller's Office, the Budget Analyst notes that it is unclear whether the proposed additional two percent retention premium is intended as (1) a one-time only premium benefit, effective for just the second year of the proposed MOUs, or (2) an ongoing premium benefit, which will result in future year additional costs to the City.

Volunteer Parent Release Time

Under the proposed MOUs, any covered employees working in a non-suppression assignment are eligible to receive up to 4 hours of paid time off each fiscal year to attend parent teacher conferences. In addition, covered employees may receive up to 40 hours per fiscal year of unpaid time for school activities. This provision is consistent with other MOUs between the City and employee organizations. The Controller's Office estimates that this new provision will result in minor increased costs.

Pilot Wellness Incentive Program

Under the prior MOUs, the City established a new Wellness Program for covered employees, which allowed covered employees, who had a balance of at least 360 hours of accrued sick leave, to cash out a portion of the accrued sick leave hours balance. Suppression employees were eligible to cash out up to 60 hours of the accrued sick leave balance and non-suppression employees were eligible to cash out up to 50 hours of the accrued sick leave balance. Under the proposed MOUs, the Wellness Program would be eliminated and replaced by the Pilot Wellness Incentive Program, which is consistent with other MOUs between the City and employee

organizations. Under the proposed MOU, covered employees would no longer be able to cash out sick leave while in active status. Rather, covered employees would be able to receive a cash payment upon retirement for unused sick leave, based upon the employee's salary rate and years of service. Under the program, an eligible employee would be able to cash out unused sick leave hours upon retirement, equal to 2.5 percent per year times the number of years in service times the number of hours of unused sick leave. For example, an employee who retired with 20 years of service would receive a 2.5 percent credit per year of service times 20 years of service, equal to 50 percent. Therefore, if the employee had an accrued sick leave balance of 500 hours upon retirement, the employee would be paid for 50 percent of the accrued sick leave balance, equal to 250 hours.

The "Wellness Program" included in the prior MOUs was intended to reduce the rate of sick leave use and therefore, decrease overtime expenditures to backfill positions to cover for firefighters who are out sick. Ms. Villagomez states that only a few firefighters participated in the Wellness Program, which allowed eligible employees to cash out from 50 to 60 hours of sick pay each year. According to the Controller's Office, the Fire Department's Wellness Program cost the City \$824,706 in FY 1999-2000 and \$698,412 in FY 2000-2001, totaling \$1,523,118 during the term of the prior MOUs.

The Budget Analyst notes that, although the City paid \$1,523,118 in sick leave cash out benefits, the actual use of sick leave by covered employees did not decrease as intended, but instead actually increased during the term of the prior MOUs. According to data provided by the Controller's Office, the average rate of sick pay use for classification H-2 Fire Fighter increased from 6.36 hours per month per FTE in FY 1998-1999 to 9.29 hours per month per FTE in FY 1999-2000 (after implementation of the Wellness Program) to 10.57 hours per month per FTE in FY 2000-2001, or an increase of over 66 percent in the use of sick pay per month per FTE from FY 1998-2000 through FY 2000-2001.

According to Ms. Villagomez, the pilot "Wellness Incentive Program" would be a one-year pilot, effective July 1, 2002. Ms. Villagomez states that DHR will evaluate the effectiveness of the pilot Wellness Incentive Program at the end of one year and continuation of the Wellness Incentive Program will be subject to re-negotiation during the last year of the term of the contract. The Controller's Office estimates that the proposed pilot Wellness Incentive Program will cost \$1,015,234 in FY 2002-2003.

Modified Duty Assignments

Fire Department employees who sustain a temporary injury or illness and therefore, are unable to perform the assigned duties of their regular position, may be placed in a temporary modified duty assignment, under the terms of the MOUs. The prior MOUs, which were effective from July 1, 1999 through June 30, 2001, contained new provisions for the way that modified duty assignments are determined and evaluated based on job injuries and illnesses. The provisions in the prior MOUs required closer monitoring, evaluations every 30 days and temporary assignments limited to one year. Under the proposed MOUs, the Modified Duty Assignments would be further modified to include:

- A covered employee who is determined unable to fully return to his or her regular position within one year is not eligible for a temporary modified duty assignment.
- A covered employee with a non-industrial injury or illness, other than pregnancy, would have a waiting period before becoming eligible for a temporary modified duty assignment, equal to 20 days during the first year of employment, 40 days during the second year of employment, and 60 days after the second year. According to Ms. Villagomez, the intent of this new provision is to provide an incentive for covered employees to save sick leave use for periods of extended injury or illness.

Under the prior MOUs, and in accordance with City policy, temporary modified duty assignments are for periods of 30 days, up to a maximum of one year.

The Temporary Modified Duty Assignment provision in the subject proposed MOUs specifies Department procedures to limit temporary modified duty assignments to one year. Under the proposed MOU, the Department physician may review the covered employee's medical condition at the end of 30 days and every 30 days thereafter, and, in consultation with the employee's private physician or, where appropriate, the City's independent medical expert, determine if the employee is eligible to return to his or her regular assignment. If the employee is not able to return to his or her regular assignment, the Department may extend the temporary modified duty assignment for periods of 30 days, up to a maximum of one year.

The proposed MOUs also outline the City's policies for covered employees who are denied a temporary modified duty assignment or whose temporary modified duty assignment has ended, including (a) returning the covered employee to his or her regular assignment, (b) granting a request for disability accommodation under the Americans with Disabilities Act (ADA) or State law, (c) initiating disability retirement, (d) authorizing sick leave, or leave under the Family Medical Leave Act or State law, (e) providing disability transfer to another City job, or (f) initiating a non-punitive separation from service. According to Ms. Villagomez, the proposed modifications to the Temporary Modified Duty Assignments are intended to better monitor the assignment of temporary modified duty. According to the Controller's Office, the modifications to Temporary Modified Duty Assignments under the proposed MOUs may result in some minor cost savings.

Employee Training and Reimbursement

In the proposed MOU with Bargaining Unit 1, the Tuition Reimbursement program allocation would increase by \$2,000, from \$8,000 to \$10,000 per year. The Tuition Reimbursement program allocation for Bargaining Unit 2 of \$2,000 per year is unchanged.

Hepatitis C Screening

Under the proposed MOUs, the City would provide Hepatitis C screening at its cost to all covered employees

who request such screening and whose health plans do not provide the benefit.

Intermittent Daily Vacation Application

Currently, when a covered employee uses an Intermittent Daily Vacation (IDV) day, the IDV day does not count toward the calculation of overtime. Under the proposed MOUs, if a covered employee uses an IDV day and then works an additional day in the pay period, the covered employee would be paid overtime for the additional day worked. The Budget Analyst notes that this provision would increase overtime costs to the Department. According to the Controller's Office, this provision would result in an estimated \$189,596 in new costs to the Department in FY 2001-2002. In Attachment II, the Controller's Office estimates that in FY 2001-2002, "miscellaneous premiums" would cost the City \$249,796 in new costs, which includes \$189,596 for the IDV day in the calculation of overtime pay plus \$60,200 for other costs, such as Hepatitis C screening, new standby pagers and tuition reimbursement.

Comments:

1. The two prior MOUs included new language, requiring the City and Union to meet to develop a vacation accrual plan consistent with Administrative Code Sections 16.11 and 16.12. At that time, the Budget Analyst questioned why the Fire Department had not been in compliance with the Administrative Code for the ten year period from 1989 until 1999, which required that the Fire Department establish an alternative vacation accrual plan no later than December 31, 1989 (Files 99-1032 and 99-1033). Administrative Code Section 16.12 permits the Fire Department to develop an alternative vacation accrual schedule, not to exceed 400 hours for employees with less than 5 years of service, 480 hours for employees with more than 5 years and less than 15 years of service, and 560 hours for employees with more than 15 years of service. According to Ms. Villagomez, the City and the Unions met to develop an alternative vacation accrual schedule during the term of the prior MOUs but have not concluded discussions or reached a final agreement regarding specific vacation accrual issues, including the appropriate cap on vacation accrual and a transition period to the new alternative vacation accrual schedule.

Therefore, the proposed MOUs modify the language of the prior MOUs, by requiring that the City and the Union meet within 90 days of ratification of the subject MOUs to develop a vacation accrual plan consistent with the Administrative Code, which would become effective June 30, 2003. According to Ms. Villagomez, Fire Department employees in Suppression are currently permitted to accrue up to 600 hours of vacation time in violation of the existing Administrative Code provisions, which provide that the maximum vacation accrual for Fire Department employees cannot exceed 400 hours for employees with less than 5 years of service, 480 hours for employees with more than 5 years and less than 15 years of service, and 560 hours for employees with more than 15 years of service. The practice of the Fire Department to allow employees in Suppression to accrue a maximum of 600 hours of vacation time continues to be a violation of the Administrative Code. The Budget Analyst recommends that the Board of Supervisors require the Department of Human Resources report back to the Board of Supervisors on the status of the discussions regarding an alternative vacation accrual schedule during the June 2002 budget hearings

2. As previously noted, the proposed MOUs contain new or modified language, intended to reduce the Department's costs related to sick leave, overtime pay and workers' compensation. Specifically, the proposed MOUs (a) clarify that the Department Chief or designee must authorize any time actually worked as overtime, (b) forfeit the six percent holiday premium for two payperiods for covered employees who use sick leave on the day before, the day of, or the day after a designated holiday, (c) replace the Wellness Program, which was implemented in the prior MOUs with the pilot Wellness Incentive Program, and (d) modify temporary Modified Duty Assignment language, to specify the City policy that such assignments are for a maximum of one year, that covered employees who are not deemed medically able to return to work within one year are not eligible for temporary Modified Duty Assignment, and that covered employees who have a non-industrial injury or illness are eligible for temporary Modified Duty Assignments after a waiting

period. However, as noted above, the proposed MOUs contain a new provision that includes the use of IDV days in the calculation of overtime, resulting in an estimated \$189,596 in new overtime costs.

As discussed previously, the use of sick leave pay per H-2 Fire Fighter FTE increased by more than 66 percent during the term of the prior MOUs, from 6.36 hours per month per FTE in FY 1998-1999 to 10.57 hours per month per FTE in FY 2000-2001. Additionally, according to the Controller's Office, actual Fire Department overtime expenditures in FY 1999-2000 were \$10,109,000, which was \$5,085,000 or 101.2 percent more than the amount of \$5,024,000 for overtime expenditures included in the original FY 1999-2000 Fire Department budget. Fire Department overtime expenditures in FY 2000-2001 were \$10,710,000, which was \$5,184,000 or 93.8 percent more, than the amount of \$5,526,000 for overtime expenditures included in the original FY 2000-2001 Fire Department budget. As noted previously, while the proposed dispatcher premium increases costs by approximately 1.75 percent of base salary for covered employees who are assigned to the ECD, the proposed dispatcher premium would also artificially reduce the costs of overtime to the City, by permitting the Fire Department to charge such costs to Premium Pay, instead of Overtime Pay.

The Budget Analyst recommends that the Board of Supervisors require the Fire Department to report to the Board of Supervisors during the June 2002 budget hearings on the Department's expenditures in FY 2001-2002 for premium pay, sick leave pay, overtime pay, and disability pay, including any Fire Department employees who have been placed in temporary Modified Duty Assignments for more than one year. As part of the report, the Budget Analyst recommends that the Fire Department present reasons if such expenditures exceed the projected expenditures in the original budget, if applicable, and report on any policies implemented by the Fire Department to reduce such expenditures.

3. In addition to the major economic changes to the MOUs noted above, the proposed MOUs contain non-economic modifications, including (a) establishing seniority within

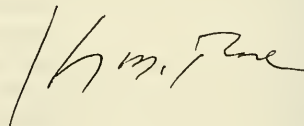
the rank of H-3 Paramedic for newly appointed paramedics; (b) reaffirming management's authority to create and modify the services and activities of the Fire Department; (c) affirming the City's policy to provide employees who have substance abuse problems the opportunity to participate in a rehabilitation program, and to encourage these employees to seek medical or professional assistance; and (d) establishing an H-3 Paramedic Advisory Committee, consisting of 3 Department and 3 Union representatives.

4. As shown in Attachment II, the Controller's Office estimates that the cumulative cost of implementing the two proposed MOUs to be \$29,697,191 over the two-year period from July 1, 2001 through June 30, 2003. The Budget Analyst notes that the assumptions used by the Controller's Office to estimate the costs of these MOUs appear reasonable, although the actual costs may vary. The additional cost of these proposed MOUs will be funded from the Salary and Benefits Reserve approved by the Board of Supervisors in the FY 2001-2002 budget.

5. In accordance with the procedures of the Budget Analyst's Office, the Budget Analyst provided a draft copy of this MOU report to the Fire Department for their corrections and comments on October 31, 2001, which was eight days prior to November 8, 2001, the date that this report needed to be issued by the Budget Analyst's Office to the Audit, Labor and Government Efficiency Committee. On November 1, 2001, the Fire Chief and Ms. Christine Ragan, of the Fire Department called the Budget Analyst's Office to generally discuss some of their concerns with this report. In order to adequately address their concerns, the Budget Analyst's Office requested that their specific concerns be put in writing and forwarded, as soon as possible to the Budget Analyst's Office. Late in the day on November 8, 2001, just prior to the issuance of this report by the Budget Analyst's Office, the Fire Department faxed their comments and changes (14 pages) to the Budget Analyst's Office, which included disagreement with some of the Controller's cost estimates. As of the writing of this report, the Budget Analyst's Office has not had sufficient time to review or comment on all of these changes.

Recommendations:

1. In accordance with Comment 1, require the Department of Human Resources to report back to the Board of Supervisors during the June 2002 budget hearings on the status of the discussions regarding an alternative vacation accrual schedule, which currently is in violation of the Administrative Code.
2. In accordance with Comment 2, require the Fire Department to report to the Board of Supervisors during the June 2002 budget hearings on the Department's expenditures in FY 2001-2002 for premium pay, sick leave pay, overtime pay, and disability pay, including any Fire Department employees who have been placed in temporary Modified Duty Assignments for more than one year. As part of this report, the Budget Analyst recommends that the Fire Department present reasons if such expenditures exceed the projected expenditures in the original budget, if applicable, and report on any policies implemented by the Fire Department to reduce such expenditures.
3. Approval of the proposed ordinances is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick
Clerk of the Board
Controller
Ben Rosenfield

Public Agency	Comparison Title	07/01/01 Monthly	01/01/02 Monthly	07/01/02 Monthly	01/01/03 Monthly
Oakland	Firefighter	6281	6281	6658	6658
San Jose	Firefighter	6250	6260	6698	6698
City and County of SF	H2	5429	5646	5872	6107
Average of Max Rates:					
City and County of SF Compared to the Average:		6271	6271	6678	6678
		-15.5%	-11.1%	-13.7%	-9.4%

* San Jose: wage increases, retro -6/00 - 8.4%; ~6/01 - 8%; ~6/02 - 7%

* Oakland MOU expires 7/01, but new rates will be 8% ~7/01, 6% ~7/02 (34% over 6yrs)

Provided by the Department of Human Resources 10/15/01

Edward Harrington
ControllerMatthew H. Hynson
Chief Assistant Controller

October 29, 2001

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 011843 & 011868
Amendment to Memorandum of Understanding (MOU) with San Francisco Fire Fighters Union
Unit One & Unit Two

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and San Francisco Fire Fighters Union. The amendment covers the period July 1, 2001 through June 30, 2003, and affects 1,648 budgeted positions with an overall pay and benefits base of approximately \$143.81 million and a salary base of approximately \$121.73 million.

Based on our analysis, the amendment will result in incremental costs of approximately \$8.3 million in FY 2001-2002, and \$13.0 million in FY 2002-2003. The amendment will result in cost increases of approximately 6.0% above the overall pay and benefits base (approximately 6.9% above base salaries) in FY 2001-2002 and approximately 9.4% above the overall pay and benefits base (approximately 9.9% above base salaries) in FY 2002-2003. Please see Attachment A for specific cost estimates.

In addition, if the City chooses to make Cesar Chavez day a paid holiday during the upcoming fiscal year, there may be additional overtime and productivity costs for this bargaining unit. If you have additional questions or concerns please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,


Edward M. Harrington
Controller

Attachment

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
San Francisco Fire Fighters Union (Unit 1 and Unit 2 combined)
Estimated Costs FY 2001-2002 to FY 2002-2003
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>
Wage Increase		
3% on July 1, 2001, 2% on January 5, 2002	\$4,869,359	
2.5% on July 1, 2002, 2.5% on January 4, 2003		\$6,258,415
Special Market Wage Adjustments		
For All Represented Classes		
Effective 7/1/01 (1%)	1,217,340	
Effective 1/5/02 (2%)	1,266,399	1,266,399
Effective 7/1/02 (1.5%)		1,976,342
Effective 1/4/03 (1.5%)		1,028,068
Additional Premiums and Benefits		
Miscellaneous Premiums ¹	249,796	15,168
Dispatcher Premium	60,134	4,811
2% Retention Pay Effective July 1, 2002 ²		446,773
Pilot Wellness Program ³		
2.5% of Accrued Sick Leave Effective July 1, 2002		1,015,234
Wage-Related Fringe Increases	682,614	994,700
Total Estimated Incremental Costs	<u>\$8,345,641</u>	<u>\$13,005,909</u>
Annual Amount Above 2000-2001 Level	\$8,345,641	\$21,351,550
Cumulative Total Above 2000-2001 Provisions		\$29,697,191
Incremental Cost % of 2000-2001 Total Pay & Benefits	6.0%	9.4%
Incremental Cost % of Base Salary	6.9%	9.9%

¹ Including Hepatitis C Screening, Intermittent Daily Vacation Application, New Standby Pagers, and Tuition Reimbursement.

In addition, the amendment consists of some provisions with minor fiscal impact. These provisions include communications training, conditional paramedic cross-training premium, standby pay, acting assignments, temporary modified duty assignments, four hours paid release time for parent teacher conference, and administrative changes to the holiday premium.

² For all employees over 27 years of service. This estimate assumes 271 employees would be eligible for the premium as of July 1, 2002.

³ For all employees eligible for retirement after July 1, 2002. This estimate assumes 158 employees will retire during FY2002-2003. These costs are partially offset by the elimination of the current wellness program which costs approximately \$700,000 per year.



City and County of San Francisco

[All Committees]
Government Document Section
Main Library

Meeting Minutes
Audit, Labor and Government Efficiency
Committee

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, November 13, 2001

10:00 AM

Legislative Chamber

Rescheduled Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Audit, Labor & Government Efficiency Committee on Tuesday, November 13, 2001 at 1:00 P.M. HAS BEEN RESCHEDULED TO Tuesday, November 13, 2001 at 10:00 A.M. and will be held in the Legislative Chamber.

Meeting Convened

The meeting convened at 10:06 a.m.

REGULAR AGENDA

DOCUMENTS DEPT.

NOV 15 2001

SAN FRANCISCO
PUBLIC LIBRARY

011406 [Board of Appeals Videotape of Meetings]

Supervisors Leno, McGoldrick

Ordinance amending the San Francisco Business and Tax Regulations Code by adding a new section 11.1 to require that the Board of Appeals videotape meetings and make the meetings available for broadcast on the City's government access channel.

7/30/01, ASSIGNED UNDER 30 DAY RULE to Audit, Labor and Government Efficiency Committee, expires on 8/29/2001.

10/23/01, CONTINUED Continued to November 13, 2001.

Heard in Committee. Speakers: Supervisor Newsom; Supervisor Daly; Supervisor McGoldrick; Debra Newman, Budget Analyst's Office; Supervisor Peskin.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011216 [Long-term Power Contract with Calpine Energy]**Supervisors Peskin, Daly**

Hearing to examine the long-term contract entered into by the City and County of San Francisco and Calpine Energy on May 7, 2001.

6/25/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

10/9/01, CONTINUED. Continued to October 23, 2001.

10/23/01, CONTINUED. Continued to November 13, 2001.

Heard in Committee. Speakers: Supervisor Peskin; Ed Smelloff, Public Utilities Commission (PUC); Supervisor Newsom; Laurie Park, General Manager, Hetch Hetchy; Supervisor McGoldrick; Supervisor Daly.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011629 [Exotic Dance Establishments]**Supervisor Peskin**

Hearing to address the safety conditions within San Francisco's exotic dance establishments, the working conditions for dancers and other club employees, and to explore how public agencies can ensure a safe and healthy working environment within these establishments.

9/17/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

10/23/01, CONTINUED. Continued to November 13, 2001.

Heard in Committee. Supervisor Peskin; Fredrick Hobson.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011843 [MOU - Fighters, Local 798, Unit 1]**Mayor, Supervisor Daly**

Ordinance adopting and implementing the provisions of a Memorandum of Understanding between the San Francisco Fire Fighters Union Local 798, IAFF, AFL-CIO Unit 1 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

10/15/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst's Office; Alice Villagomez, ERD Director; Supervisor Daly; Supervisor Newsom; Supervisor McGoldrick; Chief Mario Trevino, Fire Department; John Hanley, President, Firefighters Union.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011868 [MOU - Fire Fighters, Local 798, Unit 2]**Mayor, Supervisor Daly**

Ordinance adopting and implementing the provisions of a Memorandum of Understanding between the San Francisco Fire Fighters Union Local 798, IAFF, AFL-CIO Unit 2 and the City and County of San Francisco to be effective for the period July 1, 2001 through June 30, 2003. (Mayor)

(Fiscal impact.)

10/15/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst's Office; Alice Villagomez, ERD Director; Supervisor Daly; Supervisor Newsom; Supervisor McGoldrick; Chief Mario Trevino, Fire Department; John Hanley, President, Firefighters Union.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011876 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by A. Ruiz Construction Company against the City and County of San Francisco for \$200,000.00; the lawsuit was filed on July 10, 2000, in San Francisco Superior Court, Case No. 312-041; entitled A. Ruiz Construction Company v. City and County of San Francisco. (City Attorney)

10/17/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011877 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by 111 Chestnut Street Condominium Homeowners Association, 220 Lombard Street Condominium Homeowners Association, 240 Lombard Street Condominium Homeowners Association, Lombard Plaza Owners Association, associations representing property owners of the Parc Telegraph development, against the City and County of San Francisco for \$41,500, monitoring services of Frank Rollo, Sr., and debris removal; the lawsuit was filed on November 13, 1997 in the Superior Court of San Francisco, Case No. 991-050; entitled 111 Chestnut Condominium Homeowners Association, et al v. City and County of San Francisco, et al. (City Attorney)

10/17/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011902 [Settlement of Claim]

Resolution approving the settlement of the unlitigated claim filed by Luis Lazaro against San Francisco for \$30,000; claim was filed on 06-16-2000; additional material terms of said settlement are the signing of full and final release, minor compromise and dismissal of the City and County of San Francisco. (City Attorney)

10/22/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011904 [Settlement Of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco and the Environmental Law Foundation against the United States Tobacco Company, other manufacturers of smokeless tobacco products, and major retail chains that sell smokeless tobacco in California, for \$2,750,000; the lawsuit was filed on March 31, 1998 in San Francisco Superior Court, Case No. 993-992; entitled City and County of San Francisco and Environmental Law Foundation v. United States Tobacco Co., et al.; other material terms of said settlement are that the smokeless tobacco manufacturers shall distribute warning signs required by Proposition 65 to their retailers throughout the state, and that the retailer defendants shall post those signs. (City Attorney)

10/23/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

Report on Closed Session.

Deputy City Attorney Ted Lakey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

ADJOURNMENT

The meeting adjourned at 12:40 p.m.

80.044

3

127/01

[Budget Analyst Report]
Susan Hom
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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642

FAX (415) 252-0461

November 21, 2001

TO: Audit, Labor & Government Efficiency Committee
 FROM: Budget Analyst
 SUBJECT: November 27, 2001 Audit, Labor & Government Efficiency Committee Meeting

DOCUMENTS DEPT.

Item 2 - File 01-1526

NOV 26 2001

Departments: Mayor's Office
 Police Department

SAN FRANCISCO
 PUBLIC LIBRARY

Item: Ordinance authorizing payment of a \$10,000 reward to Ms. Selina Archuletta and Ms. Raven Meadows.

Reward Amount: Two rewards in the amount of \$5,000 each, for a total reward of \$10,000.

Source of Funds: General Fund - FY 2001-2002 Claims and Judgments Account.

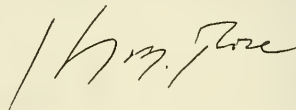
Description: The Police Department reported that on March 5, 1997, Ms. Carmel Sanger was killed by unknown assailants. As part of the investigation into the murder of Ms. Sanger, the Police Department requested that the Mayor exercise his authority under Section 10.177.1 of the City's Administrative Code to offer a \$10,000 reward for anyone supplying information leading to the arrest and conviction of the persons responsible for Ms. Sanger's death.

The Mayor offered a \$10,000 award on March 12, 1997. Subsequently, Ms. Selina Archuletta and Ms. Raven Meadows each provided information to the Police Department leading to the arrest and conviction of three suspects.

According to the Police Department, the assistance of Ms. Archuletta and Ms. Meadows was critical in leading to the arrest and conviction of the three suspects. As such, the Mayor is requesting that the Board of Supervisors approve the proposed ordinance which would authorize the payment of a \$5,000 reward to Ms. Archuletta and a \$5,000 reward to Ms. Meadows.

Comment: Additional details on the subject case are contained in confidential documents which have been placed on file with the Board of Supervisors.

Recommendation: Approve the proposed ordinance.



Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick
Clerk of the Board
Controller
Ben Rosenfield



City and County of San Francisco

Meeting Minutes

Audit, Labor and Government Efficiency
Committee

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, November 27, 2001

1:00 PM

City Hall Room 263

Regular Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

The meeting convened at 1:04 p.m.

REGULAR AGENDA

DOCUMENTS DEPT.

NOV 30 2001

SAN FRANCISCO
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010908 [Street Space Guidelines]

Supervisor Newsom

Hearing on the development of construction signage for the purpose of reviewing the guidelines of both the Department of Public Works and the Department of Parking and Traffic for occupancy of street space for construction related work, specifically of: (1) Street space guidelines; (2) Additional street space guidelines.

5/14/01, RECEIVED AND ASSIGNED to Neighborhood Services and Parks Committee.

6/19/01, CONTINUED TO CALL OF THE CHAIR.

10/3/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

10/9/01, CONTINUED Continued to October 23, 2001

10/23/01, CONTINUED Heard in Committee. Speakers: Supervisor Newsom; Supervisor Peskin, Ed Lee, Director, Department of Public Works; Ken Cleveland, Building Owners Association.

Continued to November 27, 2001.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

011526 [Reward Authorization]

Ordinance authorizing payment of reward to Selina Archuleta and Raven Meadows. (Mayor)

8/16/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee 9/13/01, Per MOCJ, do not calendar until further notice

11/15/01, Per MOCJ, item is ready to be heard in committee

Heard in Committee. Speakers: Supervisor Newsom; Rhonda Scott, Mayor's Office of Criminal Justice.

RECOMMENDED.. by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

011850 [Commending Congresswoman Nancy Pelosi]**Supervisors Daly, Newsom, Leno**

Resolution commending Congresswoman Nancy Pelosi on the occasion of being elected Democratic Whip of the United States House of Representatives and extending the congratulations of the Board of Supervisors.

10/15/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speaker: Supervisor Daly.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011598 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Teddy Querubin against the City and County of San Francisco for \$200,000.00; the lawsuit was filed on 6/30/98 in United States District Court, Northern District, Case No. C98-04414 JL; entitled Teddy Querubin v. City and County of San Francisco, et al. (City Attorney) 11/7/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Confidential letter dated October 18, 2001 is on file with the Clerk of the Board.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011940 [Settlement Of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco against Mirant Potrero L.L.C. on June 19, 2001 in United States District Court - Northern District of California, Case No. C-01-2356 PJH; entitled City and County of San Francisco, et al., v. Mirant Potrero L.L.C.; which settlement provides that Mirant will pay the City \$100,000, and that Mirant will not operate the Peaker units located at the Potrero Power Plant, known as Units 4, 5, and 6, beyond their permitted operational hours of 877 hours per year, except as expressly permitted by or pursuant to the Bay Area Air Quality Management District Rule 9-9, Mirant's permits, and all other applicable laws, rules, regulations and order. (City Attorney)

10/31/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Continued to December 18, 2001.

CONTINUED by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

Report on Closed Session

Deputy City Attorney Ted Lakey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

ADJOURNMENT

The meeting adjourned at 1:20 p.m.

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11/01
e d m l o d
12/18/01
BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

11/11
NOTICE OF RESCHEDULED MEETING

11/12
AUDIT, LABOR AND GOVERNMENT EFFICIENCY COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the regular meeting of the Audit, Labor and Government Efficiency Committee of the San Francisco Board of Supervisors scheduled for Tuesday, ^{11/12}December 11, 2001, at 1:00 p.m., has been rescheduled to Tuesday, December 18, 2001, at 1:00 p.m., at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California.

Gloria L. Young, Clerk of the Board

DOCUMENTS DEPT.

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AUDIT, LABOR AND GOVERNMENT EFFICIENCY COMMITTEE
S.F. BOARD OF SUPERVISORS
CITY HALL, ROOM 244
1 DR. CARLTON GOODLETT PLACE
SAN FRANCISCO, CA 94102-4689

IMPORTANT HEARING NOTICE!!!

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

DOCUMENTS DE

DEC 18 2001

December 13, 2001

SAN FRANCISCO
PUBLIC LIBRARY

TO: Audit, Labor & Government Efficiency Committee

FROM: Budget Analyst

SUBJECT: December 18, 2001 Audit, Labor & Government Efficiency Committee Meeting

Item 5 - File 01-2036

Department: Public Library

Item: Resolution authorizing the San Francisco Public Library to accept and expend a gift in the amount of \$12,000 from the Friends and Foundation of the San Francisco Public Library to purchase materials related to the gay, lesbian, transgender and bisexual community.

Gift Period: October 1, 2001 through September 30, 2002 (one year).

Source of Gift: The Friends and Foundation of the San Francisco Public Library

Gift Amount: \$12,000

Description: The proposed resolution would authorize the acceptance and expenditure of a gift in the amount of \$12,000 from the Friends and Foundation of the San Francisco Public Library, a nonprofit organization, that supports the Public Library by providing resources to accomplish the Public Library's goals. According to Ms. Kathleen Lucey of the Public Library, the subject gift would be used to purchase

books, videotapes and other materials related to the gay, lesbian, transgender and bisexual community. Ms. Lucey advises that the materials purchased with the subject gift funds would be placed in the James C. Hormel Gay and Lesbian Center located in the Main Public Library, and in small core collections located in other Public Library branches.

Budget:

The budget for the subject gift is as follows:

Books	\$7,000
Magazines, Film or Microfilm	2,000
Audio Materials	3,000
Total	\$12,000

Comments:

1. According to Ms. Lucey, the Public Library has not accepted or expended any funds to date.

2. According to Ms. Lucey, \$7,000 of the \$12,000 subject gift funds would be used to purchase books that are primarily reference copies of rare, special, and expensive materials, and would supplement reference and circulating materials previously acquired with Public Library funds. Ms. Lucey reports that \$2,000 of the \$12,000 subject gift would also be used (1) to purchase magazines, film and microfilm for the James C. Hormel Gay and Lesbian Center in conjunction with the Periodical Inventory Project, which is a project designed to fill gaps in the Library's collection, and (2) to fund material format changes, such as converting periodicals to microfilm for increased public accessibility. Ms. Lucey further reports that \$3,000 of the \$12,000 subject gift funds would be used to purchase audio materials to expand and develop the collection of music and spoken word records, CDs and audiocassettes for the James C. Hormel Gay and Lesbian Center.

3. The Attachment, provided by the Public Library, is the Grant Information Form, which includes a Disability Access Checklist.

Recommendation:

Approve the proposed resolution.

File Number: _____
(Provided by Clerk of Board of Supervisors)

Grant Information Form
(Effective January 2000)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: Gift from the Friends & Foundation of the San Francisco Public Library for Specified Collections

2. Department: Public Library

3. Contact Person: Kathleen Lucey

Telephone: 557-4249

4. Grant Approval Status (check one):

☒ Approved by funding agency

☐ Not yet approved

5. Amount of Grant Funding Approved or Applied for: \$12,000

6a. Matching Funds Required: \$

b. Source(s) of matching funds (if applicable): N/A

7a. Grant Source Agency: Friends & Foundation of the San Francisco Public Library

b. Grant Pass-Through Agency (if applicable): N/A

8. Proposed Grant Project Summary:

For purchase of books, videotapes, and other materials related to the gay, lesbian, transgender and bisexual community

9. Grant Project Schedule, as allowed in approval documents, or as proposed:

Start-Date: October 1, 2001

End-Date: September 30, 2002

10. Number of new positions created and funded: None

11. If new positions are created, explain the disposition of employees once the grant ends? N/A

12a. Amount budgeted for contractual services: None

b. Will contractual services be put out to bid? N/A

c. If so, will contract services help to further the goals of the department's MBE/WBE requirements? N/A

d. Is this likely to be a one-time or ongoing request for contracting out? N/A

13a. Does the budget include indirect costs? ☐ Yes ☒ No

b1. If yes, how much? \$ N/A

b2. How was the amount calculated? N/A

c. If no, why are indirect costs not included?

☐ Not allowed by granting agency

☒ To maximize use of grant funds on direct services

☐ Other (please explain):

This is a private gift to purchase specific library materials for the Library collection.

14. Any other significant grant requirements or comments:

****Disability Access Checklist****

15. This Grant is intended for activities at (check all that apply):

☐ Existing Site(s)

☐ Existing Structure(s)

☒ Existing Program(s) or Service(s)

☐ Rehabilitated Site(s)

☐ Rehabilitated Structure(s)

☐ New Program(s) or Service(s)

☐ New Site(s)

☐ New Structure(s)

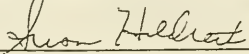
16. The Departmental ADA Coordinator and/or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments:

Departmental or Mayor's Office of Disability Reviewer: Rich Walsh
(Name)

Date Reviewed: 11/6/01

Department Approval: Susan Hildreth City Librarian
(Name) (Title)


(Signature)

Memo to Audit, Labor and Government Efficiency Committee
December 18, 2001 Audit, Labor and Government Efficiency Committee Meeting
Item 6 – 01-2140

Departments: Mayor's Criminal Justice Council (MCJC)

Item: Authorizing the Mayor's Criminal Justice Council to retroactively accept and expend a grant in the amount of \$592,198 from the Office of Criminal Justice Planning for the purpose of implementing local juvenile justice accountability measures through the Juvenile Accountability Incentive Block Grant program.

Grant Amount: \$592,198

Grant Period: April 1, 2001 through June 30, 2002 (15 months, See Comment No. 1)

Source of Funds: Federal Juvenile Accountability Block Grant (JAIBG) through the State of California Office of Criminal Justice Planning (OCJP)

Required Matching Funds: \$65,800 (10% of the total \$657,998 grant budget, See Comment No. 2)

Indirect Costs: The proposed resolution would waive indirect costs in order to maximize the amount of available grant funds for direct program expenditures.

Description: The California Office of Criminal Justice Planning allocates grant funds to Counties for juvenile justice through the Juvenile Accountability Incentive Block Grant (JAIBG) program. The Mayor's Criminal Justice Council (MCJC) is the San Francisco agency that designates the programs to provide the applicable youth services to youth either in the juvenile justice system or at-risk of entering the juvenile justice system.

In April of 2001, MCJC received \$592,198 of initial grant funding and was required to provide additional matching funds of \$65,800, for a total project cost of \$657,998, for the grant period April 1, 2001 to June 30, 2002. The subject \$592,198 grant would augment the initial grant award of \$592,198, for a total grant award of \$1,184,396 from the JAIBG program. The subject grant would also require matching funds of \$65,800, for the subject project cost of \$657,998 (\$592,198 grant plus \$65,800 matching funds). Therefore, the project costs to be funded in

connection with the JAIBG awards from the initial award, the subject grant, and the matching funds total \$1,315,996.

As detailed on Attachment I, the MCJC would use the subject \$592,198 grant to fund (1) additional Police Inspector Overtime expenses for the Mission District Serious Juvenile Offender Program, (2) additional salary and benefits for 2.0 FTE Civil Attorneys in the Public Defender's Office to reduce the backlog of Juvenile Court cases, (3) additional salary and benefits for a Project Manager position for the Juvenile Hall Replacement Project, (4) a contractual Data Analyst position for the Juvenile Probation Department's Disproportionate Minority Confinement Initiative, (5) a contractual After Care Coordinator position with the Juvenile Probation Department's Disproportionate Minority Confinement Initiative, (6) a contract to assist in the creation of graduated sanctions and interventions for drug offenses committed by juveniles, (7) computers and software for each of the eight service providers under the Mayor's Beacon School Initiative, (8) additional drug treatment, testing and case management services for juvenile offenders in the Juvenile Drug Court through a Memorandum of Understanding with the Juvenile Drug Court, (9) additional funds for temporary relocation activities and architect design fees for the Juvenile Hall Replacement Project and (10) computer equipment for the District Attorney's Office.

Budget:

	<u>Original Budget</u>	<u>Additional Funding</u>	<u>Total Funding</u>
Police Inspector Overtime	\$35,000	\$8,750	\$43,750
2.0 FTE Civil Attorneys – Public Defender's Office	157,210	97,983	255,193
1.0 FTE Juvenile Hall Program Manager – Juvenile Probation Department	99,924	3,522	103,446
Data Analyst – Professional Services Contract	0	37,500	37,500
After Care Coordinator – Professional Services Contract	0	45,000	45,000
Graduated Sanctions and Interventions Program for drug offenses	0	35,000	35,000
Computers for eight Community Based Organizations under contract with the Mayor's Beacon School Initiative	95,000	40,000	135,000
Juvenile Drug Court – Drug Treatment Services Contract	171,514	93,806	265,320
Juvenile Hall Replacement and Relocation	97,350	218,237	315,587
Computer Equipment for District Attorney	0	78,200	78,200
Program Audit	900	0	900
Travel	<u>1,100</u>	<u>0</u>	<u>1,100</u>
Total	\$657,998	\$657,998	\$1,315,996

Attachment I, provided by Mr. Eugene Clendinen of MCJC, provides the budgetary details for the subject grant of \$592,198 plus the matching funds of \$65,800 for a total of \$657,998.

Comments:

1. According to Mr. Clendinen, the subject grant was awarded to the MCJC in October of 2001 but the subject grant has the same grant period of April 1, 2001 through June 30, 2002 as the initial grant. Mr. Clendinen reports that submittal of the proposed resolution has been delayed due to the OCJP misplacing the award letter and the transition at the MCJC with the appointment of a new director. Mr. Clendinen further reports that the MCJC plans to apply for an extension of approximately six months for the subject grant period because of these delays. However, an application for the grant extension has not yet been submitted.

If the extension is not granted, Mr. Clendinen advises that MCJC would work with Juvenile Probation, the

BOARD OF SUPERVISORS

BUDGET ANALYST

District Attorney and the Police Department to revise each Department's allocation under the subject grant. Since the subject grant is reimbursement-based, meaning that the City General Funds will initially fund the grant expenditures and MCJC will be subsequently reimbursed by the State, Mr. Clendinen reports that MCJC would only expend City General Funds for those activities that would be fully grant reimbursed.

2. The subject grant of \$592,198 requires a ten percent, or \$65,800 match for a total project cost of \$657,998. The initial award provided \$65,800 in matching funds and the subject award requires an additional \$65,800 in matching funds, for total matching funds of \$131,600. According to Mr. Clendinen, the \$65,800 in matching funds for the subject grant would be provided by \$48,832 in General Fund monies appropriated in the FY 2001-2002 Department of Juvenile Probation budget and \$16,968 from the Federal Office of Juvenile Justice and Delinquency Prevention (OJJDP) grant that was appropriated in the FY 2000-2001 Juvenile Drug Court budget. Mr. Clendinen reports that the FY 2000-2001 OJJDP grant is available to be used as matching funds because the MCJC received an extension of the OJJDP grant period.

3. The Grant Information Form incorrectly states that \$344,552 is budgeted for contractual services with Community Based Organizations (CBO). According to Mr. Clendinen, the subject grant would actually provide \$251,306 in contractual services (\$37,500 for a Data Analyst, \$45,000 for an After Care Coordinator, \$35,000 for the creation of a graduated sanctions and interventions program, \$40,000 for computers for the eight CBO service providers under contract with the Mayor's Beacon School Initiative, and \$93,806 for drug treatment services at the Juvenile Drug Court). Mr. Clendinen reports that two contracts, a \$37,500 contract for a Data Analyst and a \$45,000 contract for an After Care Coordinator, are to be awarded through the Juvenile Probation Department. According to Mr. Clendinen, these professional services contracts have not yet been awarded.

According to Mr. Clendinen, \$5,000 would be added to each of the contracts of eight CBO service providers who

BOARD OF SUPERVISORS
BUDGET ANALYST

are under contract with the Mayor's Beacon School Initiative Case Management Program, for a total of \$40,000, to provide funds for computers and software at each of the program sites.

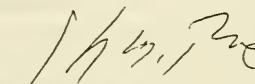
Mr. Clendinen further reports that the District Attorney plans to award a contract of \$35,000 to create a system of graduated sanctions and interventions for juveniles arrested for narcotics sales and possession. According to Mr. Clendinen, this contract has not yet been awarded.

Mr. Clendinen advises that the Memorandum of Understanding (MOU) with the Juvenile Drug Court would be amended to provide an additional \$93,806 (\$76,838 in grant funding and \$16,968 in matching funds) in drug treatment services to juvenile offenders. Mr. Clendinen reports that the Juvenile Drug Court has chosen Walden House, a non-profit drug treatment center, to provide these services on a sole source basis because it would be an extension of an existing contract between the Juvenile Drug Court and Walden House.

4. The subject grant funds 3.0 existing FTE positions: 2.0 Civil Attorney positions in the Public Defender's Office and 1.0 FTE Program Manager position in the Juvenile Probation Department. The proposed resolution states that these positions are "G" coded or grant funded positions that would terminate when the subject grant funds expire.

5. Attachment II is the Grant Information Form, provided by Mr. Clendinen, which includes the Disability Access Checklist.

Recommendation: Given that (1) the Department has not yet applied for a desired six-month extension for the subject grant period as noted in Comment No. 1 above and (2) three contracts have not yet been awarded including \$37,500 for a Data Analyst, \$45,000 for an After Care Coordinator and \$35,000 for the creation of a system of graduated sanctions and interventions, approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Newsom
Supervisor Daly
Supervisor McGoldrick
Clerk of the Board
Controller
Ben Rosenfield

BUDGET CATEGORY AND LINE-ITEM DETAIL

A. Personnel Services - Salaries/Employee Benefits

Cost

Program Purpose Area 2

Provides additional Police Inspector time for the Mission District Serious Juvenile Offender Program that monitor youth compliance with Probation Conditions. Police Overtime for 48 hours per month for 3 months for an 0382 inspector (plus night premium)
 143,308 hours x \$61.06 overtime rate = \$8,750
 Total Overtime Hours - 143; Total Overtime Cost - \$8,750

\$ 8,750.00

Program Purpose Area 3

These two positions will serve to reduce the backlog of juvenile court cases and heavy caseloads while providing better placement, coordination with schools and outreach services to juvenile offenders.

Civil Attorney I: 26 Pay Periods x 4,188.04 bi-weekly = \$108,889

\$108,889 x 24% fringe (26,133) = \$135,022.

Civil Attorney II: 26 Pay Periods x 3,727.38 = \$96,912

\$96,912 x 24% fringe (\$23,259) = \$120,171.

Two Attorney total: \$255,193 - (previous budget) \$157,210 = \$97,983

\$ 97,983.00

Program Purpose Area 1

This position will work as the Probation Department's Project Manager for the Juvenile Hall Replacement Project. This position will handle the day to day site issues regarding relocation, time tables, and all Probation's deadlines.

1372 Special Assistant XIII: Transition Team Leader

7/01/01 - 12/31/01 \$3,178 (bi-weekly) x 13.5 pay periods = \$42,903

1/01/02 -06/30/02 \$3,241.56(bi-weekly) x 12.5 pay periods = \$40,520

\$83,423 Annual Salary x 1.24% (Fringe) = \$103,446 - (previous budget) \$99,924 = \$3,522.

\$ 3,522.00

* Fringe benefits will vary with employee benefit packages. A range of 24 - 26% is used as an average benefit rate. Employer contribution includes but is not limited to
 FICA - 7.65; SUI - 3.4; Unemployment Insurance - 4.0; Retirement - 6.5; Health Insurance - 4.45

TOTAL

\$110,255.00

BUDGET CATEGORY AND LINE-ITEM DETAIL		Cost
B. Operating Expenses		
Program Purpose Area 10		
This area will fund a Data Analyst to support a stakeholder's work group attempting to address Disproportionate Minority Confinement (DMC). This position will be contracted out for a period of eight months. The total cost of this eight month contract will be \$37,500		\$ 37,500
Program Purpose Area 2		
The After Care Coordinator position will work with the Juvenile Probation Disproportionate Minority Confinement initiative to address issues of DMC in the community instead of incarceration at the Youth Guidance Center. This position will be contracted out through the Juvenile Probation Department from November 2001 to June 2002. Amount budgeted for the contract will be \$45,000.		\$ 45,000
The District Attorney proposes to create, together with the Police Department, Juvenile Probation and the Superior Court Juvenile Division, a system of graduated sanctions and meaningful interventions for juveniles arrested for narcotics sales and possession for sale violations. These funds will be contracted out to have outside analysts assist the city departments in creating the graduated sanctions. This contract will span eight months from November 2001 through June 30, 2000.		\$ 35,000
Program Purpose Area 11		
Funding in this area will provide case management for juvenile offenders participating in the Mayors Beacon School Initiative. Funds will fund community based providers to provide after school tutorials, life skills workshops, job training and health education in addition to case management services. This project is managed jointly by the Department of Children Youth & Families, Juvenile Probation, & the Mayor's Criminal Justice Council. \$95,000 was previously budgeted. An additional \$40,000 is being budgeted for one time technology costs at each of the eight sites.		\$ 40,000
Sub-total		\$ 157,500

BUDGET CATEGORY AND LINE-ITEM DETAIL

Cost

B. Operating Expenses**Program Purpose Area 9**

This grant will support portions of the Juvenile Drug Court in the areas of short term drug treatment, drug testing, case management and other costs associated with Juvenile Drug Court. This program is administered through a contract between the Courts and community based providers. Costs were calculated accordingly:

Clinical Director \$2,697 Bi-weekly x 26 weeks = 70,122 x 24% = \$86,951

Program Coordinator \$1,870.35 x 26 = 48,629.03 x 1.24% = \$60,300

Primary Counselor .67 FTE x \$1,346.17 x 26 = \$23,450 rounded (\$23,500)

Expressive Arts Workshops @ \$500 per week x 48 weeks = \$24,000

YO writing Workshop @ \$150 per day x 32 days = \$4,800.

\$10,000 in Drug and Alcohol testing.

Education Coordinator 1FTE \$2,144.96 x 26 = 55,769

Total Drug Court Revised Budget: \$265,320 - (Previous Budget) \$171,514 = \$93,806

\$ 76,838

Of the \$93,806 additional funds \$76,838 are grant funds and \$16,968 are additional Match Funds.

\$ 16,968

Program Purpose Area 1

Due to the Juvenile Replacement Project the Juvenile Probation Department will have to accommodate on going activities within the remaining portions of the Juvenile Hall while construction is being completed. This allocation funds a portion of the Department's costs that accommodate the temporary relocation of activities for a 24 month construction period. Costs include:

\$169,405 of Architect design fees for a April thru August 2001

\$ 169,405

\$48,832 of additional match is required. This will be made up by GF dollars already allocated to the

\$ 48,832

construction project.

Sub-total

\$ 312,043

BUDGET CATEGORY AND LINE-ITEM DETAIL

C. Equipment

COST

Program Purpose Area 6

Four Computer printers \$2,600 each x 4 = \$10,400

Four Laptop computers \$2,000 each x 4 = \$8,000

1 CD Burner \$2,500

1 Video Tape Copier \$ 1,002.00

11 Licenses for MS Office and Legal Suite \$1,000 x 11 = \$11,000

T-1 Cable installation \$ 16,000.00

1 Server \$ 10,000.00

1 Router \$ 3,500.00

1 Cisco Switch \$ 1,200.00

Internal Cabling \$ 5,000.00

Fluke Network Monitoring Equipment \$ 5,598.00

Eight Rumba Licenses 8 x \$500 = 4,000

Total Network Setup: \$ 78,200.00

\$ 78,200.00

CATEGORY TOTAL

\$ 78,200.00

PROJECT TOTAL

\$ 657,998.00

Fund Distribution	Federal	State	Cash Match	In-Kind Match
1. Amount of Funds	\$ 592,198.00			
2. Percentage of Funds				

File Number: _____
(Provided by Clerk of Board of Supervisors)

Grant Information Form
(Effective January 2000)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: **Juvenile Accountability Incentive Block Grant Plus**
2. Department: **Mayor's Criminal Justice Council**
3. Contact Person: **Eugene Clendinen** Telephone: **(415) 554-6260**
4. Grant Approval Status (check one):
☒ Approved by funding agency ☐ Not yet approved
5. Amount of Grant Funding Approved or Applied for: **\$592,198**
- 6a. Matching Funds Required: **\$65,800**
b. Source(s) of matching funds (if applicable):
- 7a. Grant Source Agency: **Office of Justice Programs (Federal)**
b. Grant Pass-Through Agency (if applicable): **Office of Criminal Justice Planning (State)**
8. Proposed Grant Project Summary: **See attached Budget Narrative in resolution packet.**
9. Grant Project Schedule, as allowed in approval documents, or as proposed:
Start-Date: **April 1, 2001** End-Date: **June 30, 2002**
10. Number of new positions created and funded: **No new positions. Three positions are continuing.**
11. If new positions are created, explain the disposition of employees once the grant ends?
- 12a. Amount budgeted for contractual services: **\$344,552 is available for Community Based Organization (CBO) grants.**
b. Will contractual services be put out to bid? **N/A**
c. If so, will contract services help to further the goals of the department's MBE/WBE requirements? **N/A**

d. Is this likely to be a one-time or ongoing request for contracting out?

13a. Does the budget include indirect costs? ☐ Yes ☒ No

b1. If yes, how much? \$

b2. How was the amount calculated?

c. If no, why are indirect costs not included?

☐ Not allowed by granting agency

☒ To maximize use of grant funds on direct services

☐ Other (please explain):

14. Any other significant grant requirements or comments: N/A

****Disability Access Checklist****

15. This Grant is intended for activities at (check all that apply):

☒ Existing Site(s)

☐ Existing Structure(s)

☒ Existing Program(s) or Service(s)

☐ Rehabilitated Site(s)

☐ Rehabilitated Structure(s)

☒ New Program(s) or Service(s)

☐ New Site(s)

☐ New Structure(s)

16. The Departmental ADA Coordinator and/or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments:

Departmental or Mayor's Office of Disability Reviewer: Dee Schexnayder
(Name)

Date Reviewed: 11/7/01

Department Approval: Gregg Lowder Director, Mayor's Criminal Justice Council
(Name) (Title)

(Signature)



City and County of San Francisco
Meeting Minutes
Audit, Labor and Government Efficiency
Committee

[All Committees]
Government Document Section
Main Library

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, December 18, 2001

1:00 PM

City Hall Room 263

Rescheduled Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

The meeting convened at 1:13 p.m.

DOCUMENTS DEPT.

DEC 26 2001

SAN FRANCISCO
PUBLIC LIBRARY

REGULAR AGENDA

011464 [311 Non-Emergency Service Line]

Supervisor Newsom

Hearing to assess the feasibility of implementing a 311-Emergency Line in the City and County of San Francisco to expedite the dispatch of emergency and paramedic services; and to reform our emergency and paramedic services offered by the SF Fire Department and the SF Department of Public Health.

8/6/01, RECEIVED AND ASSIGNED to Economic Vitality, Small Business and Social Policy Committee.

12/11/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Supervisor Newsom; Thera Bradshaw, Director, Emergency Services; Supervisor McGoldrick; Supervisor Daly; Dr. John Brown, Department of Public Health; Roberto Esteves, CA. 211 Steering Committee.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

011112 [Permit Expeditors and the City's Permitting Process]

Supervisor Daly

Hearing to study the City's permitting process and the corrosive impact of permit expeditors, with specific focus on the Controller's audit of DBI and news reports of raves at 3Com Park, owned by Recreation and Park Department.

6/11/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Supervisor Daly; Frank Chiu, Director, Department of Building Inspection; Supervisor McGoldrick; Supervisor Newsom; Sean McNulty, Chief Building Inspector; Jodi Darby, Controller's Office; Mario Ballard, S. F. Fire Department; Hanson Tom, Department of Building Inspection; Henry Karnilowicz; Robert Davis; Leslie Abbott, Local 21; Jerry Klein; Eve Hodson; John Hinchion, Leo McFadden, Building Inspection Association; Vernon Takasuka; Amy Lee.

FILED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

010640 [Children, Youth and Families]**Supervisors Daly, Sandoval**

Hearing to study the service coordination between various commissions and agencies serving children, youth and families, including the Delinquency Prevention Commission, Youth Commission, Children and Families Commission, Juvenile Probation Commission, and Department of Children, Youth and their Families.

4/9/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

11/1/01, FILED PURSUANT TO RULE 5.38.

12/17/01, ASSIGNED to Audit, Labor and Government Efficiency Committee.

12/17/01, REACTIVATED PURSUANT TO RULE 5.24.

Heard in Committee. Speakers: Supervisor Daly; Tayel Shoh, Department of Children, Youth and Families; Margaret Brodtkin, Coleman Advocates for Children; Demone Hale, President, Juvenile Probation Commission; Dan Macallair; NTanya Lee; Jeannie Hwang Bray; Julie Posadas; Jessie Arreguin, Youth Commission; Garry Bieringer, Huckleberry Youth Programs.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Daly, McGoldrick

Absent: 1 - Newsom

011675 [Investigations and Grounds for Administrative Debarment]**Supervisor Peskin**

Ordinance amending Administrative Code Chapter 6 to clarify and update requirements for the solicitation of quotes under subsection 6.21(B); to clarify requirements for modifications to construction contracts under subsection 6.22(H); to add a nonabrogation clause to subsection 6.22(M); to correct the statutory references in section 6.40; to add a nonabrogation clause to subsection 6.42(E); to add a new section 6.8 severability clause; to add a new subsection 6.42(F), requiring that modifications for professional service contracts be in writing; to add an investigation requirement for violations of Chapter 6; and to extend the grounds upon which the City and County may determine a contractor to be nonresponsible to civil or criminal violations against any government entity relevant to the contractor's ability to comply with or perform under the terms and conditions of its contract with the City and County.

9/24/01, ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 10/24/2001.

10/11/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Wade Crowfoot, Aide to Supervisor Peskin.

12/18/01, Amended on page 2, line 2 by adding back the phrase "participation in an apprenticeship program"; and on page 2, line 3 by deleting the word "above", and adding "and 6.22" at the end of the sentence.

AMENDED.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Daly, McGoldrick

Absent: 1 - Newsom

012036 [Gift Acceptance from Friends and Foundation of the San Francisco Public Library]

Resolution authorizing the Public Library to accept and expend a gift in the amount of \$12,000 from the Friends and Foundation of the San Francisco Public Library to purchase materials related to the gay, lesbian, transgender and bisexual community. (Public Library)

11/15/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst ; Kathleen Lucey, Public Library.

RECOMMENDED.. by the following vote:

Ayes: 2 - Daly, McGoldrick

Absent: 1 - Newsom

012140 [Grant - Juvenile Accountability Block Program]**Mayor**

Resolution authorizing the Mayor's Criminal Justice Council to retroactively accept and expend a grant in the amount of \$592,198 from the Office of Criminal Justice Planning (OCJP) for the purpose of implementing local juvenile justice accountability measures through the Juvenile Accountability Incentive Block Grant Program (JAIBG). (Mayor)

12/3/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

Heard in Committee. Speakers: Debra Newman, Budget Analyst; Gregg Lowder, Director, Mayor's Criminal Justice Council; Supervisor McGoldrick.

12/18/01, Amendment of the Whole.

AMENDED.

RECOMMENDED AS AMENDED.. by the following vote:

Ayes: 2 - Daly, McGoldrick

Absent: 1 - Newsom

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 2 - Daly, McGoldrick

Absent: 1 - Newsom

011940 [Settlement Of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco against Mirant Potrero L.L.C. on June 19, 2001 in United States District Court - Northern District of California, Case No. C-01-2356 PJH; entitled City and County of San Francisco, et al., v. Mirant Potrero L.L.C.; which settlement provides that Mirant will pay the City \$100,000, and that Mirant will not operate the Peaker units located at the Potrero Power Plant, known as Units 4, 5, and 6, beyond their permitted operational hours of 877 hours per year, except as expressly permitted by or pursuant to the Bay Area Air Quality Management District Rule 9-9, Mirant's permits, and all other applicable laws, rules, regulations and order. (City Attorney)

10/31/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee

11/27/01, CONTINUED Continued to December 18, 2001.

RECOMMENDED.. by the following vote:

Ayes: 2 - Daly, McGoldrick

Absent: 1 - Newsom

012117 [Extension of Agreement for Additional 18-Month Tolling of Statute of Limitations Governing Administrative Proceeding or Suit]

Resolution approving the City Attorney's entry into an Extension of Tolling Agreement governing administrative proceeding or suit by the United States Environmental Protection Agency and the Casmalia Resources Site Steering Committee. (City Attorney)

11/28/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Department requests this item be calendared at the December 11, 2001 meeting.

12/18/01, Amended to add "effective December 7, 2001" to page 1, line 5 and page 2, line 5.

AMENDED.

Resolution approving the City Attorney's entry into an Extension of Tolling Agreement governing administrative proceeding or suit by the United States Environmental Protection Agency and the Casmalia Resources Site Steering Committee effective December 7, 2001. (City Attorney)

RECOMMENDED.. by the following vote:

Ayes: 2 - Daly, McGoldrick

Absent: 1 - Newsom

012034 [Settlement of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Peter Roybal against the City and County of San Francisco for \$120,000, with Roybal agreeing to be barred from future City employment; the lawsuit was filed on February 9, 2000, in Superior Court, State of California, Case No. 309-821; entitled Roybal v. City and County of San Francisco, et al. (City Attorney)

11/21/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 2 - Daly, McGoldrick

Absent: 1 - Newsom

012077 [Settlement of Claim]

Resolution approving the settlement of the unlitigated claim filed by Alma Taylor against San Francisco for \$75,000; claim was filed on 01-31-2001; additional material terms of said settlement are the signing of full and final release and dismissal of the City and County of San Francisco. (City Attorney)

11/21/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 2 - Daly, McGoldrick

Absent: 1 - Newsom

012136 [IBM Graffiti Settlement]

Supervisor Newsom

Resolution approving settlement of San Francisco's potential claims for fines, penalties and damages against IBM, Ogilvy & Mather and Mindshare arising out of their participation in the stenciling of advertisements on City sidewalks. Under the settlement, the companies shall: (1) pay \$19,685.93 to San Francisco to reimburse the City for its out-of-pocket costs arising out of the incident; (2) make a \$100,000.00 payment to the San Francisco Clean City Program; (3) clean and remove any stenciled images found to be remaining on City property; and (4) refrain from participating in similar acts in the future. In exchange, San Francisco shall release the companies from potential claims arising out of the stencils and rescind a previous resolution relating to this subject.

12/3/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Daly, McGoldrick

Absent: 1 - Newsom

Report on Closed Session.

Deputy City Attorney Ted Lahey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 2 - Daly, McGoldrick

Absent: 1 - Newsom

ADJOURNMENT

The meeting adjourned at 5:32 p.m.



Meeting Minutes
Audit, Labor and Government Efficiency
Committee

Members: Supervisors Gavin Newsom, Chris Daly and Jake McGoldrick

Clerk: Mary Red

Tuesday, January 22, 2002

9:30 AM

City Hall Room 263

Rescheduled Meeting

Members Present: Gavin Newsom, Chris Daly, Jake McGoldrick.

Meeting Convened

The meeting convened at 9:33 a.m.

DOCUMENTS DEPT.

JAN 25 2002

REGULAR AGENDA

SAN FRANCISCO
PUBLIC LIBRARY

001185 [Status of Burned-out Residential Hotels]
Supervisor Newsom

Hearing to consider the report from the Department of Building Inspection regarding the status of residential hotels rooms that have been lost by fire.

6/19/00, RECEIVED AND ASSIGNED to Housing and Social Policy Committee.

8/1/00, CONTINUED TO CALL OF THE CHAIR.

2/1/01, TRANSFERRED to Housing, Transportation and Land Use Committee. New committee structure.

4/18/01, TRANSFERRED to Audit, Labor and Government Efficiency Committee.

6/18/01, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: Supervisor Newsom. Continued pending updated report from Department of Building Inspection.

Continued to next meeting.

Supervisor McGoldrick absent.

CONTINUED by the following vote:

Ayes: 2 - Newsom, Daly

Absent: 1 - McGoldrick

020079 [Management Audit of Homeless Programs]
Supervisor Daly

Hearing to consider the Controller's management audit of homeless programs.

1/14/02, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee. Sponsor requests this item be calendared on January 22, 2002.

Heard in Committee. Speakers: Supervisor Daly; Supervisor Newsom; Ed Harrington, Controller; Supervisor McGoldrick; Ken Bruce, Budget Analyst.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

012136 [IBM Graffiti Settlement]**Supervisor Newsom**

Resolution approving settlement of San Francisco's potential claims for fines, penalties and damages against IBM, Ogilvy & Mather and Mindshare arising out of their participation in the stenciling of advertisements on City sidewalks. Under the settlement, the companies shall: (1) pay \$19,685.93 to San Francisco to reimburse the City for its out-of-pocket costs arising out of the incident; (2) make a \$100,000.00 payment to the San Francisco Clean City Program; (3) clean and remove any stenciled images found to be remaining on City property; and (4) refrain from participating in similar acts in the future. In exchange, San Francisco shall release the companies from potential claims arising out of the stencils and rescind a previous resolution relating to this subject.

12/3/01, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

12/18/01, CONTINUED TO CALL OF THE CHAIR. After closed session, public testimony was taken. Speakers: David DelGato; Richard Marquez, District 6 Street Agenda; Supervisor McGoldrick; Ted Lakey, Deputy City Attorney; Daffney Benson; Christine O'Laque.

Calendar at first meeting in January, 2002.

Heard in Committee. Speakers: Edwin Lee, Director, Department of Public Works ; Gia Grant, Executive Director, Clean City Coalition; Supervisor Daly; Supervisor McGoldrick; Tracy Aubuchon; Ana B. Arguello; Supervisor Newsom.

RECOMMENDED by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Audit, Labor and Government Efficiency Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

020007 [Settlement of Lawsuit]

Ordinance authorizing settlement of the attorneys' fees and costs in the matter of Fontanilla and County of San Francisco for \$105,000. The lawsuit was filed on October 28, 1996, in United States District Court, Case No. C96-3916 JAS; entitled Fontanilla v. City and County of San Francisco, et al. (City Attorney)

1/2/02, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

020053 [Settlement Of Lawsuit]

Ordinance authorizing settlement of the lawsuit filed by Troy Lavelle against the City and County of San Francisco for \$35,000; the lawsuit was filed on April 26, 2000 in San Francisco Superior Court, Case No. 311-737; entitled Troy Lavelle, et al., v. City and County of San Francisco, et al. (City Attorney)

1/10/02, RECEIVED AND ASSIGNED to Audit, Labor and Government Efficiency Committee.

RECOMMENDED.. by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

Report on Closed Session.

Deputy City Attorney Ted Lakey reported that the Audit, Labor and Government Efficiency Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 3 - Newsom, Daly, McGoldrick

ADJOURNMENT

The meeting adjourned at 11:21 a.m.

